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The

## Nation's Business

**The New Treaty With Britain**

**More Flexibility; Less Padding**

**Dominion Spending on "Ordinary" Account Touches New Peak**

**Quebec Plans Publicly-owned Hydro**

**Catholic Priest Flays Toronto Newspaper for Red Propaganda**

### More Flexibility in Trade Treaty

CANADA has a new trade treaty with Great Britain. That in itself is a cause for gratification since there were always serious obstacles in the way of the renewal of the 1932 Ottawa agreement. Just wherein the new treaty differs from the old is not easy to interpret in full and with accuracy because it is the result of many necessary compromises, some of which may have consequences other than those expected, by the negotiators. But there are some points worthy of note.

First, the treaty is more flexible than the previous one. The number of items on which Canada gives a "frozen" margin of preference is greatly reduced. Britain, in turn, has reserved certain rights to control Canadian sales in that market, if necessary. There are several provisions in the treaty for amendments by mutual agreement after consultation.

• • •

SECOND, the treaty is more favorable to Great Britain than the previous treaty. There has been much dissatisfaction in Britain concerning the "hard bargain" wrung from the United Kingdom by Mr. Bennett in 1932. Britain has always contended that the long list of the preferences granted Britain at that time included much "padding"; that is to say, items of little value to Britain. Statistics on a matter like this are dangerous to deal with, but trade figures do seem to indicate that Canada benefitted more than Britain did from the 1932 treaty. The present pact probably adjusts the balance to some degree.

Incidentally eliminating the "padding" releases about 125 items, which Canada may now use in bargaining with the United States when the reciprocity treaty is up for renewal.

Third, the treaty represents a net lowering of tariffs. A prime source of criticism of the 1932 pact was the fact that preferential treatment was achieved for the two parties to it by raising tariffs against other countries. Again, in this respect, there was superficial evidence to indicate that this was the case but, as every country was then engaged in raising tariffs on the slightest provocation, it is difficult to say just how much tariff raising was the result of the Ottawa agreements and how much the result of other factors. In any event, in this treaty Canada lowers the tariff on British goods substantially and there is no need to increase tariffs against other countries to make preferences possible.

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FOURTH, it seems almost certain that one result of the treaty will be to lower the price at which a large range of British merchandise is priced in Canadian stores. Undoubtedly, this suggests the possibility of many additional firms opening up sales agencies in Canada and embarking upon larger merchandising and advertising programmes. Thus the treaty may have an effect more noticeable to the average housewife or other retail buyer than the previous treaty, even if it does not result in any materially enlarged influx of steel, chemicals and other heavy goods which go into factories rather than into retail stores.

It is a great experiment: attempting to maintain reciprocity with the United States, preferential trade with Great Britain and trade treaties with other countries, all alongside of each other. If Canada can make a success of the effort it will have shown the world the way to breaking down the barriers of extreme economic nationalism.

The treaty was by no means a simple thing to negotiate and its successful conclusion is a tribute to the patience and earnestness of Mr. Dunning, Mr. Runciman, Mr. Chamberlain and other cabinet ministers and governmental officials on both sides.

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### New High Touched in Expenditures

DURING this fiscal year the Dominion has made heartening progress toward a balanced budget and financial stability, but the financial position of the Dominion, as revealed by Hon. C. A. Dunning, minister of finance, is not as satisfactory as it should be in view of the fact that the volume of business has been above the 1926 level for almost two years.

It is a matter of regret that the Government has once again failed to reduce its outlays. The entire improvement in the current year has been due to increased revenue arising out of higher taxation and expanding business activity rather than to economy measures of the

(Continued on page 2, col. 3)

## Ottawa Clings To July Date For Air Route

### But Experts Doubt Regular Service Much Before 1938

### PLANS ARE READY

From Our Own Correspondent

OTTAWA.—The western section of the Trans-Canada Airways, from Winnipeg to Vancouver, will begin operations this summer, according to the plans of the Ministry of Transport, all reports to the contrary notwithstanding. The proposed opening date of July 1 still stands, so far as the Government is concerned. Government facilities will be ready before that time. The radio beam service, the new meteorological reports and the landing fields are being prepared for an early start.

**Experts Disagree**

This is the Government's answer to the assertion of well-placed aviation experts who insist that such a service is physically impossible this year, apart from test flights, and that July, 1938, is a better bet than July 1, 1937. This view was publicly voiced recently in the current issue of Canadian Aviation, which stated:

"Without exceeding the bounds of practical reasoning it is an obvious conclusion now that there can be no inauguration of even half of the projected and long-awaited trans-Canada air service by July 1 of this year, despite earlier forecasts credited to the new minister of transport and their persistent republication by some sections of the press.

"Consider the following facts: we are well into the month of February and still no operating company or 'chosen instrument' for running the service has been set up; it would be at best several weeks, possibly months, before the first units of the necessary flying equipment could even be ordered, to say nothing of when delivery might be expected; and we are still a long, long way from completion of the essential ground services, especially those required for weather forecasting.

"Even a casual observer might conclude from these facts that July, 1938, would be nearer to a normal guess for the opening of the first important section of the route."

**Plan Other Services**

The only thing which has been holding up the programme, says Ottawa, is the formation of the corporation to fly the airway, and this is now being proceeded with as rapidly as possible.

The section of the airway from Montreal to Winnipeg, and east to the Maritimes will be ready for commencement in 1938, it is expected.

Though Pan-American Airways has been making an effort to make New York, rather than Montreal, the western terminus of the trans-atlantic airways service, to begin also in 1938, the Canadian Government insists that if the route is to fly over Canadian territory, the hop must be made to Montreal.

Botwood, Newfoundland, the first landing spot after leaving Ireland, is accepted by Pan-American Airways as a satisfactory location, but they are seeking to make the next hop direct to New York or Boston rather than to Montreal. The Canadian Government has no intention of making this concession.

## Railway Wage Bill Up $3.2 Millions

From Our Own Correspondent

MONTREAL.—Adoption of the majority report of the Conciliation Board will add $3.2 millions to the railway wage bill for 1937, and will mean an outlay of $5 millions for 1938. Each of the railways will assume about one half of the increased labor costs.

The 3% increase for 1937 is divided into three blocks: 1% on Feb. 1, Aug. 1 and Sept. 1.

The men were asking for the full restoration of the basic wage rate, which would have meant an addition of $18 millions to the railway's labor bill.

## An Apology— P-L-U-S

Quite frankly—we apologize.

Last week we promised you a special story on base metal stocks in addition to a major feature on western Canada oils. To tell the truth, the oil feature—which runs to five pages and looks the best thing of its kind to appear in many a day—just squeezed base metals out of the picture. You can bank on them for special reading next week.

Major feature for the March 13 issue is our annual life insurance number which has become a prime favorite with policyholders (aren't we all?) as well as agency men, branch and head office officials. This is an exceptional opportunity to check the progress of your company against "the field" and learn of important developments in this business during the past year.

There'll be an interesting personality sketch that shouldn't be missed. It's the tale of a chap who 35 years ago had to get six men to back a note for $100 so he could go to Ottawa and swing a deal. Today he's a famous international financier.

All this, **plus** a full-sized regular issue of investment, business and national affairs news.

## *Talk Year's Hoist For Transport Bill*

From Our Own Correspondent

OTTAWA.—The Dominion Government has about decided that it will not press the Transport bill this session, The Financial Post learns. Too much opposition has developed against the bill in its present form, and too many weaknesses have been disclosed. The alternative would be to make radical amendments to it and re-introduce it toward the end of this session.

Much more likely is the decision to postpone it for a year, meanwhile making a further study of the problem, with the idea of submitting an entirely new measure another session.

**Need Co-operation**

That some regulative measure over all transport under Federal jurisdiction is inevitable is as firmly believed by the minister as before, The Financial Post understands. It is admitted, however, that little good would be accomplished by passing a measure obnoxious to many interests, for which it would be difficult or impossible to secure the necessary measure of co-operation with the Government.

The measure as it comes out of committee, this session or next, will be, it is forecast, of a considerably more limited nature than the present bill. The idea will be to start on certain fields of transport and then, if deemed wise, extend the scope of the measure little by little. The Railway Act and the measure setting up the Board of Railway Commissioners went through a fairly similar experience years ago, it is said.

The Senate hearings on it conclude this week. The committee will then proceed to discuss amendments and report to the Senate the amended bill, unless, meanwhile, word comes from the Government not to proceed further with it.

The bill has received an unusually exhaustive treatment in the Senate committee, and almost without exception the representations have been adverse.

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### Plans to Tax Railways

From Our Own Correspondent

MONTREAL. — Winnipeg City Council plans to seek authority at the coming session of the Manitoba Legislature for repeal of a 50-year-old agreement under which Canadian Pacific Railway was given perpetual exemption from city taxation.

## Price Bros. Plan Ratified

### Moves of Old Directors Approved and New Slate Elected

From Our Own Correspondent

MONTREAL.—Preferred and common shareholders have approved the reorganization of Price Brothers & Co., involving a reduction of the bankrupt newsprint firm's capital from $60 millions to $30 millions.

Borrowing of $15 millions in first mortgage bonds was authorized in a special by-law E.

Special by-law F, providing for the borrowing of not more than $4,268,000 through second mortgage debentures, received ratification.

After approving generally all the directors' moves in the proposed reorganization, shareholders accepted the directors' resignation and elected a new board consisting of five Montrealers, three Quebec men and one from London, England.

The new board follows: A. A. Aitken, Paul P. Hutchison, J. D. Johnson, John C. Newman, Paul F. Sise, all of Montreal; A. P. Marcis, A. C. Picard, A. C. M. Thompson, K.C., all of Quebec; and Sir Keith Price, London, England.

## Int. Petroleum Profit Rating Is Improved

### Shares Stronger on Closer Appraisal of Earnings

### PRICES HIGHER

Strength of International Petroleum shares which has carried them close to $40 appears to be based on closer scrutiny of earnings than has been given heretofore.

When the shares were selling around $35, yielding over 7%, there was a disposition to regard them with doubt because of the high return rather than as a possible bargain.

Only in the last two years have complete financial statements been available, so the full significance of the company's earnings position has not been as widely advertised as it might otherwise have been. The statement for the year ended June 30, 1935, showed earnings of $1.49 a share and for 1936 $1.65 a share compared with the current dividend rate of $2.50 a share which includes "extras" of $1.

**Dividends and Earnings**

The excess of dividends per share over earnings per share resulted in a reduction of $12 millions in surplus account last year. This was also attributable, however, largely to heavy charges for depreciation, depletion and amortization. Despite the huge deficit, there was a reduction of only $1.9 millions in working capital last year.

The most favorable development in recent weeks has been the rising trend in petroleum prices on an international scale. It is estimated that this will raise the rate of earnings to at least $1.85 a share, after all charges, even though it may not be shown fully in the statement for the current year, two-thirds of which has already elapsed. It is considered doubtful whether there will be any decrease in working capital, even with the nominal excess of dividends over earnings, because of the increased revenue from higher petroleum prices.

In connection with charges for depreciation, depletion and amortization, the balance sheet shows that fixed assets of $156.6 millions have already been written down to $55.7 millions. Some investment men therefore regard further charges on these accounts as mere book entries, more of historical than cash value. New information on the company's investments also indicates highly conservative balance sheet valuations.

## *Ontario Budget To Show Surplus*

The Ontario Government budget will be presented to the legislature by Premier Mitchell Hepburn on March 9 and will, it is expected, show a surplus on all accounts. In the year ended March 31, 1935, the province had a surplus of $6.8 millions on ordinary account, but relief costs totalled $20.3 millions, so that the real deficit was $13.5 millions.

In the current year there has been substantial improvement in revenue due to expanding business activity and higher taxation. In the first half of the year treasury department revenue was up $17 millions, but this was before income tax disbursements to municipalities. It would appear therefore that the surplus may be substantial. Furthermore, expenditures in many departments, including relief, have been reduced.

Not only will a surplus be reported, but a reduction in the gross and net debt will be reported.

## Highlights

***Alberta's Oil Boom***

Investors in all parts of Canada focus attention on Turner Valley. What lies ahead? Pages 15, 16, 17, 18

***Trust and Loan***

Canadian trust and loan companies' operations reveal rising earnings trend and new investment possibilities. Special section. Pages 10, 11, 12, 13, 14

***"Good Intentions"***

Alberta's prophet-premier reaches end of 18 months trail with Utopian promises unfulfilled. Page 15

***"Bingo"!***

$5 millions contributed by 350,000 Canadians is toll of newest game craze. Page 28

***Income Tax***

How are "family" business partnerships taxed? Page 5

***Base Metals Status***

Significance is analyzed of supplementary provisions in new Anglo-Canadian trade agreement in regard to base metals. Page 26

## *Britain Scores Advantage In Ottawa Tariff Changes*

### Trade Pact Concessions Important — Canada Keeps Free Entry

Britain scores in the renewal of the 1932 Ottawa trade agreements.

In the new pact announced at Ottawa last week Canada grants important concessions to the Mother Country in certain lines of textiles, hardware, iron and steel products, and a wide range of special items which indicate increased British competition, especially in higher-priced, specialty goods.

In return the Dominion gets a continuance of free entry for such major natural products as wheat, bacon and cattle and a guarantee of preferential treatment on many others. However, it is stipulated that if Canada's agricultural exports through sudden expansion endanger the United Kingdom's programme of domestic agricultural expansion, then further restriction in the form of quotas or duties is permissible.

**Trade Balance**

With the balance of trade three to one in Canada's favor it was generally expected that Canada would pay a higher price when the trade agreement negotiated in 1932 came up for renewal this year. In some quarters close to the Government The Financial Post was told months ago that this country would be fortunate to secure preferential tariff treatment and quotas on practically all agricultural exports, let alone free entry.

Canadian business refuses to hazard an opinion regarding the net effect of the new agreement. While there have been the usual plaints from professional exponents of a few industries, on the whole no general alarm has been expressed by those manufacturers associated with lines for which Britain has been granted freer entry. Industries interested in agricultural exports have voiced satisfaction that the huge trade in bacon, wheat and certain dairy products has been assured continuance. Importers and many retailers claim that the lessening of restrictions on British goods, will permit them to offer customers a much wider variety.

**Prices a Factor**

For the final outcome, much will depend on prices. Already advancing values for steel, iron, hardware and other manufactured goods in Great Britain have offset much of the reduction in duties. The rearmament programme in that country prevents an early possibility of exports in many lines.

It is reported that one enterprising Canadian importer, on noticing that the duty on one line of steel goods had been cut 10%, immediately cabled an order to Britain. The reply came back that the price had just advanced 10% and in any

(Continued on page 2, col. 5)

### *English Attack Said Unimportant*

From Our Own Correspondent

WINNIPEG.—Members of the trade minimize the importance of the recent sharp attack in England on the Canadian Wheat Board for the vigor of its advertising and promotional campaign in Great Britain. English millers, it is claimed, know that they have sufficient advantages over those in Canada, so that the import of Canadian flour cannot increase to such an extent as to do any great harm to their business. The weight of the campaign, it is believed, mainly favors the greater use of Canadian wheat in British milled flour.

## Pact Allows Counter-Dump

From Our Own Correspondent

OTTAWA.—Provisions to facilitate the methods of "fighting dumping with dumping" has been incorporated into Article 12 of the new trade agreement.

Canadian authorities agreed to the provision, The Financial Post is informed, because they believed it was sound practice to lay the onus on offending parties. The effect of the clause is that if a Canadian industry proceeds to dump goods on the British market it may find itself faced shortly afterward with similar dumping from another source, in regard to which the dumping provisions of the Canadian tariff, there to protect the Canadian producer from such injury, may be disregarded.

The injured industry, in such an event, can soon obtain relief from the effect of such dumping by refraining from offending in the British market.

The Federation of British Industries, however, though endorsing the treaty as a whole does not think much of the dumping provision. This organization states:

"A year ago, the F.B.I. informed the Government that it considered it neither equitable nor in accord with the idea underlying the Ottawa Agreements that British manufacturers should be debarred from any measures of protection against competitive Empire manufactures, more so since substantial protection against United Kingdom goods. Article 12 of the new agreement purports to deal with this question in a way which the federation considers both vague and unbusinesslike."

### Dunning Hopes to Balance Budget for Year of 1938-39

The financial objective of the King Government, as revealed by the budget speech of Hon. C. A. Dunning, minister of finance, is a balanced budget in the 1938-39 fiscal year and surpluses in subsequent years in order to wipe out deficits which have been funded during the depression.

Thus, it would appear that Canadians cannot look for any sharp decrease in taxation for a number of years at least for it would take very substantial surpluses to wipe out the deficits of the depression years. This was indicated by Graham F. Towers, governor of the Bank of Canada, in his annual report to shareholders, when he stated that the increase, $1,800 millions in Dominion, provincial and municipal debt in the six years ended Mar. 31, 1935, would "definitely suggest that we must expect higher taxation and need economical administration for many years to come."

While drastic reductions are made in various customs duties, these are not expected to affect revenue from this source. Revenues from customs duties in the 1937-38 fiscal year are, in fact, expected to increase by $8.5 millions to $90 millions as a result of increased imports.

**Deficit to be Lower**

Deficit for the 1937-38 year will, it is estimated, be $52 millions lower than in the year ending Mar. 31 next, being estimated by Dr. Dunning at $35 millions. Improvement in this year, it is expected, will result both from higher revenue and lower expenditures. Total ordinary revenue for the year is estimated at $485 millions, compared with the estimate of $443 millions for the year ending Mar. 31, 1937. This represents a lower rate of increase than took place during the current year even after making allowance for that portion of this year's increase in receipts which was due to increased tax rates.

Expenditures, on the other hand, for 1937-38 are estimated at $520 millions, a reduction of $19.1 millions from the estimate for 1936-37.

**Estimated Revenue**

| | 1937-38<br>$ 000's | 1936-37<br>$ 000's |
|---|---|---|
| **Taxation Revenue:** | | |
| Customs duties | 90,000 | 81,500 |
| Excise duties | 47,500 | 45,500 |
| Income tax | 113,000 | 102,000 |
| Sales tax | 131,000 | 115,500 |
| Manufacturers' stamp importation, etc. | 42,000 | 38,100 |
| Banks, insurance co's | 2,000 | 2,018 |
| Total tax revenue | 425,500 | 384,618 |
| Non-tax revenue | 59,500 | 58,770 |
| Total ord. revenue | 485,000 | 443,388 |
| Special receipts | ▲ | 8,735 |
| Total revenue | 485,000 | 452,123 |

▲No estimate made of special receipts.

As forecast by The Financial Post in its issue of Feb. 13, Hon. C. A.

(Continued on page 2, col. 3)

## Quebec Hydro Plan May Avoid Injury To Private Utilities

### Duplessis Reported to Have Three Schemes for a Start

### OPEN NEW AREAS

From Our Own Correspondent

MONTREAL.—All is not quiet on the Quebec utility front! Premier Maurice Duplessis has announced that the Quebec Government will set up a Quebec Hydro-Electric Power Commission with authority to engage in the generation and distribution of electricity much along the lines as in the sister province Ontario.

For some time the Quebec Government has had the necessary machinery to set up its own hydroelectric commission. While the Quebec Electricity Commission, instituted by the Taschereau Government, has regulatory powers only and cannot engage in the electricity business, the Quebec Streams Commission has the necessary authority to go ahead and build plants.

The powers of the Streams Commission do not extend to retail distribution. Consequently it is necessary for the Government to pass supplementary legislation or create a new body, incorporating the powers of the Streams Commission, which can engage in all phases of the business.

**Has Plan in Readiness**

From a reliable source it is learned that Premier Duplessis has been quietly working on a Commission and his plans are well advanced; so much so that it would seem Hon. Oscar Drouin, who resigned as minister of lands and Forests over the power and other questions, was not fully aware of what was going on. Or it may be that Duplessis' plans have been advanced as a result of the open break in the ranks of his followers.

In any event the Premier will shortly introduce legislation, probably this week, covering the proposed Hydro Commission. At the same time plans will likely be announced for the initial developments.

While there is no confirmation at this time, Premier Duplessis is reported to have in mind three developments to be undertaken immediately by the new commission.

**Three Projects Scheduled**

The Gaspé Peninsula has long been agitating for a supply of electricity. Unfortunately water powers in the area are limited. It is planned to set up three or four steam plants in the more thickly populated or industrial areas. Coal could be secured from Nova Scotia so as to generate energy at a reasonable price.

The second area centres around the Chibougamau mining district. Large sums of money have been spent on exploratory and development work in this area, but the establishment of a major mine would be out of the question without an adequate supply of power. Results obtained by Consolidated Mining and Smelting Co. of Canada and other operators in the area indicate that large scale mining operations are not far off. If a power supply was assured, it is possible work would be speeded up.

**Good Test Areas**

These are the two main areas which are in need of power for either domestic or industrial use. They would provide a fruitful field for the proposed Hydro Commission to prove its worth, economically and socially.

The third project is farther west along the Transcontinental Railway Line. It is difficult to obtain definite information on this scheme. One report which is denied by interests close to the picture is that the Quebec Government plans to cancel the lease granted to Noranda Power Co.

**Signs of Policy**

On more than one occasion since his party came into power, Premier Duplessis has stated that established capital and industry will be protected. The reported initial developments of the proposed Quebec Hydro would appear to fit in with his announced policy. The Gaspé Peninsula at present is largely without electricity service. None of the privately-owned companies is in operation in the Chibougamau area, while Noranda Power, at the moment, exists only on paper.

Further evidence that the Government does not intend to unduly disturb the existing situation is seen in the following extract taken from the Throne Speech:

> "The Government has granted no permit authorizing the development of water powers. It has authorized certain companies to sell electricity at lower rates; but it does not intend to stop on the road to urgent reforms. Abuses in the distribution of electricity must cease wherever they exist, and the Government is fully determined to fight them strenuously by every means at its disposal, but with all the prudence wherefrom the administrators of public affairs must never depart."

**Take Middle Course**

The Duplessis Government favors taking a middle course in meeting the demands of the nationalistic movement. At the same time it is ready to act promptly in correcting an apparent abuse. While many of the more extreme reformers are demanding a provincial hydro comparable to Ontario Hydro, Premier Duplessis favors the gradual upbuilding of a system without involving the Government in an abnormally large capital outlay.

Meanwhile announcement of the proposed Quebec Hydro and what it might mean to the privately-owned company has caused a certain amount of uneasiness among utility stockholders. Earlier in the week there was evidence of liquidation. Though sales were not particularly heavy, prices showed signs of weakness.

## *Cons. Bakeries On $1 Dividend*

Consolidated Bakeries of Canada has declared a dividend of 25 cents a share payable April 1, to shareholders of record March 15. This placed the stock on an annual dividend of $1 a share.

For 1936, regular dividends were 80 cents a share with an extra of 20 cents. The annual report which will appear in about a week is expected to show improved earnings above the dividends of $1 a share. In 1935, earnings amounted to 90 cents a share.

## See Scramble For Any Profits Of Wheat Sale

### Return of $8 Millions to Government May Rouse Dispute

From Our Own Correspondent

WINNIPEG.—Since delivery of the budget speech pencils of market observers have been busy figuring out the position of the Canadian Wheat Board. Finance Minister Dunning stated that the Wheat Board is to pay back to the Dominion Government approximately $8 millions. This will cut, approximately in half, the loss assumed by the Government on stabilization operations when $15,856,000 was set aside last year "to recoup the board for the net liability assumed when it acquired the wheat contracts held by Canadian Co-operative Wheat Producers Ltd."

If the $8 millions is interpreted as a profit on recently sold old wheat and not a return of what was considered a possible loss, there may be some dickering over who is to get the money.

**Board Reduces Losses**

In operations of the board to July 31, 1936 a loss of almost $12 millions was reported on the 1935 crop. When this report was published last January it was anticipated that much of this loss would be made good in later operations. The board still held probably 100 millions of old wheat last August and as a result of the relatively high prices for wheat last fall and this winter considerable profits were possible notwithstanding the original prices paid for much of this grain and storage charges accumulating in some cases over three or four years. Now it is assumed that of the $16 millions set aside by the Government last March to cover taking-over losses and subsequent losses but one half of the appropriation will be needed.

The picture in round numbers would appear like this:

**Government Wheat Losses**

| | $ |
|---|---|
| Write off Dec., 1935, when Murray Wheat Board took over | 16,000,000 |
| Government payment to Pool Growers 1930 crop | 6,000,000 |
| Total Government write off, March, 1936 | 22,000,000 |
| Anticipated return by Wheat Board | 8,000,000 |
| Total loss Government wheat operations to date | 14,000,000 |
| Total loss Wheat Board to date | 8,000,000 |

But will the Government be able to hang on to the $8 millions to be returned? On what particular crop of wheat was the profit of last fall made?

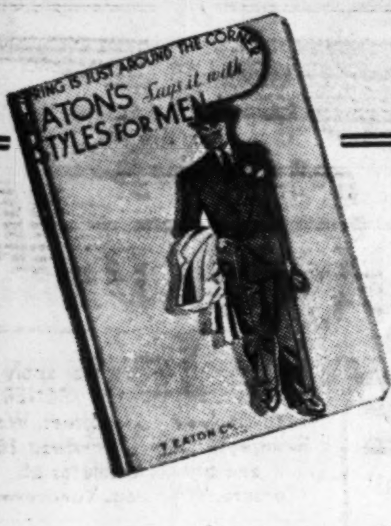
It may be claimed that it is only by a process of bookkeeping that this sum is allocated to the credit of the Government instead of to the credit of farmers who delivered wheat to the board in 1935-36. Evidently the board decided that it was the farmers' wheat which it was selling during the course of that crop year, and stabilization wheat, on Government account which was held for later sale, when the price happened to be a good deal higher. Alter the allocation of sales, and a different result would be obtained, with the Government left holding the bag for a heavy loss, and a credit accruing to farmers on their 1935-36 deliveries. True, the board made it a matter of record almost at the start, that it was going to sell the 1935-36 crop ahead of its stabilization holdings, but that will not alter what is considered an inevitable claim that a different procedure should have been followed, with the wheat first acquired being sold first.

## Dominion Tar Plan Released

From Our Own Correspondent

MONTREAL.—Dominion Tar and Chemical Co. has made formal announcement of the compromise or arrangement with which the company has proposed settlement of the arrears of dividends on the preferred stock.

The plan provides for payment to preference shareholders of $2 a share in cash, plus two common shares for each preferred stock in settlement of arrears which amounted to $30.87½ on Jan. 31, 1937. In accepting this offer, the preference shareholders agree to a reduction in the dividend rates from 6½ to 5%.



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## New Trade Agreement Hits Anglo-U. S. Parleys

Consummation of the Canadian-United Kingdom trade agreement is considered a serious blow to the trade negotiations being carried on between United States and Britain, according to the Whaley-Eaton service of Washington.

## Winnipeg Stocks

(Transactions from Feb. 22 to Feb. 27)

| | Sales | High for period | Low for period | Close Feb. 27 |
|---|---|---|---|---|
| B. & M. Syn. .. | 5 | 4.50 | 4.00 | 4.50 |
| Can. Airways .. | 10 | 7.50 | 7.50 | 7.50 |
| Cres. Cream. pf. | 10 | 36.00 | 36.00 | 36.00 |
| Cryderman .... | 6,000 | .04½ | .03½ | .03½ |
| Ed. Wainwright Oil .......... | 1,000 | .05 | .05 | .05 |
| Flintoba ....... | 6,000 | .03 | .02 | .02 |
| Forty Four .... | 20 | 1.90 | 1.90 | 1.90 |
| Flin Flon ...... | 38,850 | .20 | .16 | .20 |
| Frontier ....... | 500 | .18 | .18 | .18 |
| Gt. Falls M. ... | 8,400 | .32 | .25½ | .25½ |
| Gold Lake ..... | 26,568 | .07 | .05 | .06 |
| Gurney Gold .. | 3,750 | .61 | .58 | .59 |
| Herb Lake .... | 15,383 | .23 | .20 | .20 |
| Island Lake ... | 23,000 | .04 | .03 | .04 |
| Knee Lake .... | 6,050 | .04½ | .03½ | .03½ |
| Kingfisher .... | 2,500 | .02½ | .02½ | .02½ |
| Optic Lake .... | 50 | 1.35 | 1.15 | 1.15 |
| Ore Grande ... | 3,100 | .12 | .12 | .12 |
| Marvel Oils .... | 3,500 | .12 | .11 | .12 |
| Rice Lake ..... | 400 | .04 | .04 | .04 |
| Scotia Gold .... | 1,500 | .03 | .03 | .03 |
| Sovereign Life . | 10 | 16.00 | 16.00 | 16.00 |
| Packsack ..... | 1,600 | .26 | .24 | .24 |
| Sachigo ...... | 552 | 21.00 | 19.25 | 19.50 |
| Vanson Man. .. | 24,100 | .02 | .01½ | .02 |
| United Grain . | 40 | 11.50 | 11.00 | 11.00 |
| Wings ......... | 660 | 2.10 | 2.00 | 2.00 |
| Wpg. R. Tin ... | 57,600 | .04 | .03 | .03½ |
| Wallace Lake .. | 11,700 | .05 | .04 | .04 |
| Wylie Dom. ... | 3,000 | .55 | .53 | .54 |
| Wingold ...... | 16,200 | .08 | .06½ | .07 |
| West. Brew. ... | 100 | 1.35 | 1.35 | 1.35 |
| West. Steel, pf. | 125 | 9.50 | 6.50 | 9.50 |

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*(April 30, 1933)*
$128,444
*(April 30, 1934)*
$234,219
*(April 30, 1935)*
$553,053
*(April 30, 1936)*
$1,032,312
*(Dec. 31, 1936—8 months)*

This table shows assets of the Company with investments included at cost. It does not indicate the substantial appreciation experienced in the market value of investments.

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FEATURES

in the March issue

THE CANADIAN CHARTERED ACCOUNTANT

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Fund Consciousness—A Forgotten Aspect of Commercial Accountancy
Retail Method of Inventory Control
The Canadian Wheat Pools, 1929-1936
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# The Nation's Business

(Continued from page 1)

Government. Total expenditures are $6.9 millions higher than last year and ordinary expenditures $19.3 millions higher.

For the coming year an increase of $42.6 millions in ordinary revenues is estimated. The deficit is estimated at $35 millions.

* * *

IT IS obvious that the Government is on no economy march. The trend, in fact, is toward a loosening of the purse strings as is indicated by the fact that ordinary expenditures increased last year by $19.3 millions, to attain a record high for all time in Canada. The policy of the Government seems definitely not to make any genuine effort to reduce expenditures, but rather to depend upon expanding business activity to solve the country's problems. The railway issue is a notable case in point.

In expressing his hopes for the 1937-38 fiscal year, Mr. Dunning stated that he would be greatly disappointed if the total deficit could not be kept "within the limit represented by the net cash deficit of the Canadian National Railways system." Despite the fact that the Government admits that the C.N.R. deficit is the only obstacle in the way of a balanced budget next year, it continues to refuse to attempt any solution of the railway problem.

* * *

### Quebec Will Enter Power Business

PREMIER DUPLESSIS' announced intention of creating a provincial hydro-electric system in Quebec fulfills one of his pre-election promises. His decision may have been hastened by pressure from a number of his former supporters. Propaganda has been rife in Quebec for public ownership and it is good politics to give the public what it wants, or thinks it wants.

Quebec's premier does not seem to be the type of politician who would sponsor any undertaking which will endanger the hundreds of millions of capital already invested in the province's power industry, most of which represents the savings of his electorate. On the other hand, he is not satisfied that the policies of the private operators have always been in the best interests of the consumer. Therefore, in sponsoring a provincial hydro he is appeasing the demands of a vociferous minority and at the same time warning the operators that there must be no abuse of almost monopolistic powers.

* * *

### Chief Apologist For Communism

SOME cynic recently remarked that the way to make the largest profits is to attack the profits system. There is at least one business enterprise in Canada that stands as evidence that there is some truth in that remark. The chief defender in Canada of Communism, the chief propagandist of red ideologies in every form, is the Toronto Daily Star which is curiously enough one of the most prosperous and individualistic business enterprises in the country.

Speaking on his regular radio programme last Sunday, Father Charles B. Lanphier, of Toronto, spoke publicly and candidly what has been in the mind of many people about the Star. He did not mention the paper by name but his references were so pointed that there could be little doubt as to the paper he referred to.

Why has this particular paper gone red? he asked.

"Why is it defending Communism and Communists when all Christians who have studied the subject and its results, properly realize that it leads but to destruction for our Christian Canadian civilization."

The people of Ontario, as Father Lanphier said, have indeed exhibited forbearance and patience toward this one paper while it has been distorting Spanish news and glorifying Russian bolshevism on its editorial page and through its special writers.

Like Father Lanphier, many other people are asking themselves, "Why?"

# Dunning Hopes Budget Will Balance in 1939

(Continued from page 1)

Dunning reported a very substantial improvement in the budget position of the Dominion for the current fiscal year, the deficit being well under his estimate of $100 millions made last May. The over-all deficit for the year was, in fact, $87.3 millions. This, however, includes a write-off of $18.7 millions in connection with the drought area debt adjustment in Saskatchewan and Manitoba without which the deficit would be near the estimated $70 millions.

Reduction of the deficit in the current year is entirely due to increased taxation and buoyant revenue as a result of expansion in business activity. In fact, the increase in revenue was greater than the reduction in the deficit, total revenue rising $79.5 millions while the deficit was only $72.6 millions lower.

### Lowest Since 1930-31

It is gratifying to note that the total deficit for the year is substantially lower than any year since 1930-31 when it was substantially the same as for the current year. While it has little significance under present conditions, it might also be pointed out that for the first time since 1929-30 the government had a surplus on ordinary account, ordinary revenues exceeding ordinary expenditures by $51.5 millions.

**Summary of Revenues and Expenditures**

| | 1936-37 $ 000's | 1935-36 $ 000's |
|---|---|---|
| Ordinary revenues .... | 443,388 | 372,222 |
| Less: Ordin. exps. .... | 391,860 | 372,539 |
| Surplus on ordin. acct. | 51,528 | *317 |
| Add: Special receipts.. | 8,735 | 637 |
| Less: Special expend.. | 80,429 | 102,047 |
| Capital expenditures | 3,447 | 6,544 |
| Govt. owned enterprises .......... | 44,472 | 50,940 |
| Other charges ...... | 19,310 | 515 |
| Total deficit ......... | 87,395 | 159,989 |

*Deficit.

### Tax Revenue Up $67.3 Millions

Revenue from all tax sources will amount to $384.6 millions, it is estimated, an increase of $67.3 millions over last year. To this increase all forms of taxation contributed.

### Income Tax in Second Place

While the income tax has been relegated to second place as a source of revenue, it also is producing more than ever before, as a result of increases in rates during the depression years. For the current year, collections are estimated at $102 millions, an increase of $19.3 millions. The increase is due largely to the increase in corporate and individual incomes, although the increase of 1⅛% in the corporate income tax is estimated to be responsible for approximately $5.8 millions. Of total income tax receipts, $58.4 millions will come from corporations, $8.7 millions from the 5% tax on interest and dividends, and $34.9 millions from the tax on individual incomes.

It is interesting to note that of a total tax revenue of $384.6 millions, only $43.6 millions, which is the amount collected from the 5% tax on interest and dividends and from the tax on individual incomes, can be classified as direct taxation. Thus the Canadian consumer contributed $341 millions to the Dominion Government in 1936-37 through the purchase of goods and services without being directly aware of the fact.

### Expenditures Increase

Total expenditures for the year are up $6.9 millions to $539.5 millions. This increase is entirely due to higher ordinary expenditures which total $391.8 millions, compared with $372.5 millions last year.

Special expenditures totalling $80.4 millions are $21.6 millions lower than last year, the decrease being entirely due to the absence this year of any disbursements for grain marketing losses. Relief expenditures present somewhat of a paradox in that they are higher than last year despite the improvement in business and the reduction in relief costs in certain parts of Eastern Canada. This is partly explained by the fact that the drought in Western Canada necessitated special Dominion assistance.

Comparative figures on relief expenditures during the past two years are as follows:

**Unemployment Relief Expenditures**

| | 1936-37 $ 000's | 1935-36 $ 000's |
|---|---|---|
| Grants to provinces .. | 28,930 | 26,275 |
| Federal share of joint projects ............ | 14,159 | 10,700 |
| Railway maintenance | 2,750 | ...... |
| Public works ........ | 24,819 | 38,441 |
| Drought area relief .. | 9,741 | 4,000 |
| Total ................ | 80,429 | 79,416 |

### C. N. R. Deficit Down

Interest on outstanding bonds of the Canadian National Railways paid by the Dominion contributed $43.3 millions to the deficit. Last year the net income cash deficit of the C. N. R. was $47.4 millions.

The co-operative debt adjustment scheme for the drought areas of Saskatchewan and Manitoba undertaken by the Federal and Provincial Governments and the mortgage companies, will cost the Dominion $18.7 millions. This involves the writing off of $17.9 millions of Saskatchewan treasury bills and $805,000 of Manitoba treasury bills held by the Dominion as security for repayment of loans made to these two provinces to enable them to finance relief and seed grain expenditures in the drought areas in the period from May 1, 1931, to Jan. 1, 1935.

### Loans Reduced

Loans and investments made during the year which are regarded as active assets in the public accounts show a substantial reduction from 1936-35.

**Loans to Western Provinces**

| | 1936-37 $ 000's | Total $ 000's |
|---|---|---|
| Manitoba ............ | 3,911 | 19,416 |
| Saskatchewan ........ | 3,530 | 51,898 |
| Alberta .............. | 679 | 25,760 |
| British Columbia ..... | 2,772 | 30,345 |
| Total .................. | 10,892 | 127,419 |

Shown below are comparative figures of loans and investments made during the past two years:

**Loans and Investments**

| | 1936-37 $ 000's | 1935-36 $ 000's |
|---|---|---|
| C. N. R. .............. | 4,614 | 3,689 |
| C. P. R. .............. | 555 | 1,270 |
| Farm Loan Board .... | 11,894 | 7,933 |
| Housing Act ......... | 1,218 | 82 |
| Harbor Commissions .. | 323 | 1,438 |
| Prov. relief grants .... | 10,892 | 42,304 |
| Railway equipment .. | 5,166 | 7,244 |
| Land settlement ..... | Cr. 939 | Cr. 1,054 |
| Provinces—Housing .. | Cr. 2,038 | Cr. 3,003 |
| Bank of Canada shares | 5,100 | ...... |
| Total ................ | 36,785 | 59,903 |

# Britain Scores Points In New Ottawa Tariffs

(Continued from page 1)

case the firm was so busy on domestic orders that shipment would be impossible.

### Styles

Styling will play an important part. On some of the items where Britain has secured concessions, the balance of trade is actually in Canada's favor because Canadian factories are turning out a line of goods more acceptable to the general public. To get any real advantage, Britain will have to modernize certain lines or make them in a design acceptable to the Canadian taste.

The Liberal Government, which in Opposition attacked so vigorously the agreement of 1932, takes pains to explain why the new agreement is not merely a renewal of the old can, and in what way it avoids the most "objectionable" features of the 1932 pact.

A detailed comparison of the two agreements brings out the following points:

### Free Entry

1. So far as Canadian exports to Britain are concerned, the new agreement provides for continuation of free entry on all goods now on the free list, just as the earlier one did. It also provides a guarantee of preferences which are not to be reduced in the life of the agreement. These are more extensive than they were in 1932.

### Dairy Products

2. In regard to eggs, poultry, butter, cheese and other milk products, the present agreement is much less favorable than the old one, which guaranteed free entry for three years, after which the duties were subject either to preferential duty or a quota. The new agreement provides no such guarantee of free entry.

### Cattle

3. The new agreement drops the two sections dealing with live cattle and pedigreed stock. Free entry of Canadian cattle is to continue, however, as in the former agreement, but it is subject to quota arrangements at any time.

### Bacon

4. The former agreement provided for the free unrestricted entry of Canadian bacon and hams up to 2.5 million cwt. per annum. The new agreement is much more limited in wording, though in practice there may not be any difference.

Canada undertakes to inform Britain with estimates of forthcoming supplies of bacon and hams, cattle and beef.

### Tobacco

5. The provision undertaking to give free entry to Empire-grown tobacco for 10 years from the signing of the 1932 agreement on certain conditions is repeated without change or time extension in the new agreement.

### Treatment of Colonies

6. The extension of the benefits to the Colonies and Protectorates is repeated, but the reservation is now added that the concessions shall not necessarily be continued if reciprocal preferences are not extended to Canada.

An important list of preferences, under the new agreement, are to be extended to Canada by the Colonies and Protectorates. These are set forth in detail in a schedule to the new agreement. This was not in the old agreement.

### No Tariff Hearings

7. Administrative undertakings in regard to Canada's tariff policy toward the United Kingdom are largely removed. These formerly involved setting up of the Tariff Board to hear applications from British exporters who wished reductions in the Canadian duties.

The right of the British Government to demand an enquiry into existing rates, at which United Kingdom producers shall have full rights of audience, appears to have been completely abolished, as is the principle that during the life of the agreement the rates of duties on British goods "shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production." This takes from the Tariff Board the criterion which it has used in the numerous and important hearings since 1932 asked for by the British Government.

### "Equated Costs"

At first glance this cancellation appears to withdraw from the British Government an important concession. As it actually worked, however, the former provision proved to be a most effective barrier against relief for the British exporter.

It set up the principle of "equated costs," which sounds eminently fair and reasonable, but which, according to many tariff authorities, always leads to trade stagnation and the end of imports.

### Special Taxes

8. There is a provision in the new agreement, not in the old, which provides that no discrimination shall be shown against imported goods in the way of taxes or other imposts. This would, it is presumed, preclude the imposition of such a tax as the import excise tax formerly in effect against British imports but now abolished.

### Russia and "Content"

9. The article (21) aimed at Russian lumber and other commodities is eliminated in the new agreement.

10. The 50% Empire content clause is not to be increased during the life of the new agreement. There was no such undertaking in the old agreement.

### Frozen Margins and Sartels

11. Certain flexible powers in regard to items otherwise bound, so far as foreign tariffs are concerned, are reserved by the Canadian Government, and the number of bound items or "frozen margins" is reduced from 215 to 91.

### Dumping Clauses

13. A new article (12) is written into the agreement providing for "fair play" in the event dumping of goods occurs.

### Flexible

14. Both agreements contain an article providing for revision of the agreement if, after consultation between the two countries, such variation is decided upon.

15. The agreement of Aug. 20, 1932, was for five years certain, and was to continue after that if it was not denounced.

The new agreement comes into force on a date to be agreed upon. The schedules came into effect on Feb. 25 at midnight.

# Aluminum Co. Sales Recover

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada recorded an increase of about 10% in export sales during 1936 compared with the year before and of around 200% compared with the low point reached in 1932. At the same time it is learned the Arvida plant is operating at a high rate of capacity and plans are under way for further expansion.

As the Aluminum Co. of Canada is the only producer of aluminum ingot and sheets in the Dominion, export figures are taken to indicate the volume of business handled by the company, aside from domestic trade.

### Record Sharp Recovery

Last year aluminum exports were valued at $11.1 millions. This contracts with less than $10.4 millions in 1935 and with $3.9 millions in 1932, the low point of the depression.

The rapid recovery of production is further shown by the fact that last year aluminum ranked third in Canada's exports of base metals.

### Plans for Increase

At present the company has four furnaces in operation at the Arvida smelter. More furnaces will be installed as soon as rotary converters have been put in place changing the power supply from alternating to direct current for use in the furnaces.

Important developments have just taken place in connection with the management of Aluminium Ltd which controls Aluminum Co. of Canada and various other properties outside of Canada.

### Decentralize Management

Formerly Aluminium Ltd. was in part a holding company and an operating company. Under the new plan the company is divested of all operations and becomes strictly an investment company.

### Expect Larger Earnings

The 1936 financial statement of Aluminium Ltd., which will be made public toward the end of this month is expected to show an improvement in earnings over the $3.4 millions reported in 1935, which, in turn was the best showing made since 1930. Earnings on the preferred stock are likely to meet dividend requirements of $6 a share. In 1935 profits totalled $5.03 a share.

The assumption of better earnings on the preferred is predicated in part on the fact that on March 1 the company paid a quarterly dividend of $1.50 a share. This was the first dividend paid since June, 1932 and leaves the amount of arrears at $27.75 a share.

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# Textile Imports

The following table not only compares the reductions made in 1932 with those in 1937 on a representative list of textile items: it illustrates also how far successive Governments have gone in opening the Canadian market to the British exporter:

| Item— | 1931 | 1932 | 1936 | 1937 |
|---|---|---|---|---|
| Woven fabrics of cotton, 80-90 count ....... | 22½% plus 3c lb. | 22½% plus 2c lb. | 22½% | 12% |
| Cotton, art silk fabrics with cut weft pile | 22½% plus 3c | 15%<br>30% | 15%<br>30% | 5% |
| Cotton clothing | 25% plus 3c | 25% plus 3c | 25% plus 3c | 25% |
| Wool or hair yarns ....... | 15% plus 15c | 15% plus 11¼c | 15% plus 11¼c | 15% plus 6c |
| Blankets ... ... | 22½% plus 20c | 22½% plus 10c | 22½% plus 10c | 20% plus 5c |
| Woven wool fabrics imported in grey ...... | 20% plus 12½c | 20% plus 9¼c | 20% plus 9¼c | 17½% plus 7½c |
| Wool clothing .. | 30% plus 25c | 30% plus 18¾c | 30% plus 18¾c | 30% |
| Socks & stock'gs: (a) of wool . | 30% plus $1 doz. | 30% plus 75c | 30% plus 75c | 20% plus 30c |
| (b) other ... | 30% plus $1 doz. | 30% plus 75c | 30% plus 75c | 20% only |

Note—All above duties subject to reduction of 10% because of entry through a Canadian port.

Based on actual shipments imported a few weeks ago, the following examples illustrate the effective reduction in tariff in two representative wool items:

**Wool socks—five dozen—invoice $8.**

| | 1931 | 1932 | 1936 | New Rates |
|---|---|---|---|---|
| Ad valorem ........................ | $2.16 | $2.16 | $2.16 | $1.44 |
| Specific ............................ | 4.50 | 3.38 | 3.38 | 1.35 |
| | 6.66 | 5.54 | 5.54 | 2.79 |
| Duty ................................ | 83% | 69% | 69% | 35% |

**Blankets—1,226 lb.—$590.**

| | 1931 | 1932 | 1936 | New Rates |
|---|---|---|---|---|
| Ad valorem ........................ | $119.48 | $119.48 | $119.48 | $106.20 |
| Specific ............................ | 220.68 | 110.34 | 110.34 | 55.17 |
| | 340.16 | 229.82 | 229.82 | 161.37 |
| Duty ................................ | 57% | 39% | 39% | 27% |

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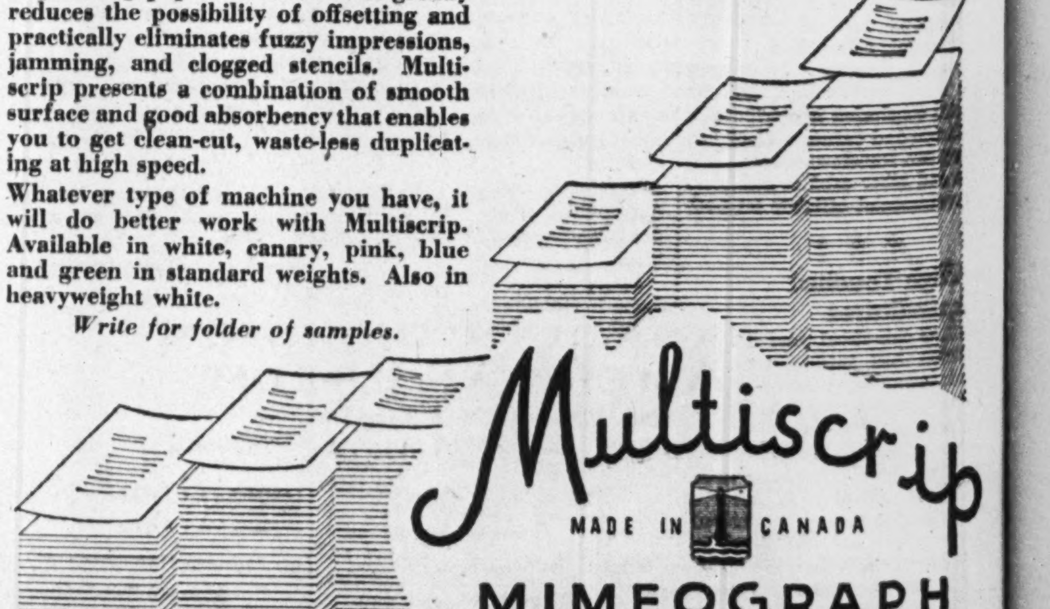

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# Weekly Record of Financing in Canada

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Municipal— | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Toronto Harbor Commissioners .... | Feb... | Wood, Gundy & Co. and Syndicate ....... | 2-2½-3% | 1953 | $20,456,000 | 94.42 | 3.50% |
| **Dominion—** | | | | | | | |
| Canada Treasury Bills ............ | Mar... | .......................................... | .... | June '37 | $20,000,000 | 99.800 | .795% |

**OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES**

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Petites Soeurs Franciscaines de Marie de Montreal ............... | Mar... | Comptoir National de Placement ......... | 3½-4% | 1938-54 | $366,000 | ..... | ..... |
| General Steel Wares ............. | Mar... | Dominion Securities Corp. and Syndicate.. | 3½, 3½, 4% | 1940-47 | 1,800,000 | .... | ..... |
| | | | 4½% | 1952 | 4,777,000 | 97.34 | 4.75% |
| **Stock Issues—** | | | | | | | |
| Harpers Malartic Gold Mines ...... | Mar... | Colling Securities Corp. ................. | .... | .... | 200,000 shs. | 26c | ..... |
| Goldstream Mining Co. ........... | Mar... | Direct ...................................... | .... | .... | 200,000 shs. | 25c | ..... |

## News of Investments - - Analyses

# Central Power Hits New Peak For January

### Output for Month Shows Increase Over Last Year

### ONLY DROP IN B. C.

From Our Own Correspondent

MONTREAL.—New records continue to be established by the central electric stations, output in January amounting to 2,319 million kw.h. as against 2.091 million kw.h. for the same month the year before.

This showing is considered impressive because the month contained five Sundays and five Saturdays, which are low production days.

Returns for the five economic areas show that British Columbia was the only section to report a decline in production compared with the returns for Jan., 1936. The Maritimes reported a sharp increase, while the gains in the other areas were substantial. Particulars follow:

(Thousand Kilowatt Hours)

| | 1937 | 1936 |
|---|---|---|
| Maritimes | 83,828 | 56,159 |
| Quebec | 1,208,106 | 1,045,986 |
| Ontario | 722,404 | 675,948 |
| Prairies | 193,996 | 180,951 |
| B. C. | 110,826 | 132,453 |

**More Boiler Power**

Deliveries of secondary power to electric boilers increased from 661 million kw.h. in December, to 702 million kw.h. in January, the largest yet recorded.

Exports to the United States increased from 128 million kw.h. in December, to 135 million kw.h., making consumption of firm power in Canada, including line losses, 1,482 million kw.h.

**Greater Use of Energy**

The consumption of electricity in Canada, represented by production plus provincial imports less exports, amounted to 2,184 million kw.h. in January, compared with 1,973 million kw.h. in the same month a year ago. Returns for the five economic areas follow:

(Thousands of Kilowatt Hours)

| | 1937 | 1936 |
|---|---|---|
| Maritimes | 81,959 | 55,234 |
| Quebec | 1,031,299 | 855,741 |
| Ontario | 766,220 | 739,119 |
| Prairies | 195,683 | 182,486 |
| B. C. | 109,070 | 130,866 |

# *Hinde & Dauch Borrows at 4%*

Hinde & Dauch Paper Co. of Canada is obtaining funds privately at 4% in connection with refinancing the redemption of its 5½% first mortgage bonds. The issue has been called for redemption at 102½ next May 1. The company had $650,000 out on call loan at the end of 1936, indicating working capital in excess of requirements.

There was a total of $1,122,000 of the bonds outstanding at the close of 1936. The saving therefore appears to be 1½%, or about $16,500 annually, which would amount to slightly more than five cents a share for the stock. The original bond issue was for $1.5 millions in 1928 and it has been reduced steadily by sinking fund installments.

Earnings on the common amounted to $1.32 a share in 1936 compared with $1.18 a share in 1936 compared with $1.18 a share in 1935.

# Niagara Wire Raises Dividend

### Reflects High Activity in Newsprint Industry in Past Year

Niagara Wire Weaving Co. has declared a dividend of 50 cents a share on the common stock, payable April 1, to shareholders on record March 15. The previous quarterly rate was 40 cents a share.

Maintenance of regular payments at the increased rate would put the shares on a $2 dividend basis. The company's principal products are fine wire screens used in paper making machines. These screens have a life of less than one month in active use, so that activity in Canadian newsprint mills results in a steady stream of replacements.

The increase in the common dividend reflects earnings of the last nine months.

**Butter Production**

During the month of January 70,151 pounds of creamery butter were produced in New Brunswick, as compared with 68,543 pounds during the same month of 1936, which constitutes an increase of 2.3 per cent.

**Investment Analysis**

# Page-Hersey Tubes

### By-law to Authorize Possible Cancellation of Shares Should Benefit Company — But May Not Result in Transaction at Present

It will be possible to reduce the capital stock of Page-Hersey Tubes to 140,000 shares, under an authorizing by-law to be submitted to shareholders at their meeting at Crowland, Ont., on March 10. Expectations are that the by-law will be approved.

The capital now consists of 175,000 shares, of which 174,276 are outstanding. The by-law would authorize directors to reduce the capital by cancellation of the 724 unissued shares and by purchase of 34,276 shares for redemption. It is understood that larger blocks of shares have not actually been offered for sale to the company, and that the idea in the by-law is to authorize a possible transaction rather than to provide for an immediate probable purchase.

**Letter to Shareholders**

In a letter to shareholders recommending passage of the by-law, C. L. Dunbar, president, explains the proposal as follows:

"For some time past it has been quite impossible to obtain the interest return on our invested surplus that we formerly enjoyed, and your directors are of the opinion that it would improve the financial set-up of the company if a portion of the surplus were used in reducing the capital stock. Moreover, there is a possibility that certain large blocks of stock may come on the market, and I feel strongly, and the directors agree with me, that the company should be in a position to buy some or all of these blocks of stock and cancel them, if conditions warrant. We think it is very much in the interests of the general body of shareholders that these large blocks of stock should not be acquired by outsiders who might possibly alter the policies of the company to the detriment of the general body of shareholders. For these reasons, therefore, the directors have passed and are submitting this by-law.

"Power is taken to purchase the shares either upon a recognized stock exchange or from shareholders of the company at the lowest price at which they can be bought, but in no case shall the price exceed the price quoted on the exchange. Each purchase made has to be confirmed by supplementary letters patent."

**Shares in Estates**

It is understood that the large blocks of stock involved are those in estates of the late W. W. Near and the late Hon. H. C. Scholfield, both former presidents of the company, who died about two years ago. Proposals have been made by investment interests for purchase of larger blocks of shares, but have not been acceptable to the estates. While these shares have not definitely been offered, the by-law would make it possible for directors, rather than outside interests, to buy the shares for cancellation should the opportunity become available.

It is possible to make a rough comparison of the income value of the number of shares involved in the by-law and the income on the investments which the company would have to sell to redeem its shares. At the close of 1936 the company had a call loan of $600,000 and Government bonds of $2,699,251. Market value of the bonds at the year-end, however, was $2,944,538. Thus the total value of these two items at Dec. 31, 1936, was $3,544,538.

Value of 34,276 shares at the recent market price would involve an outlay of some $3.5 millions. Thus there is a correspondence between the two liquid investment items in the balance sheet and the recent value of the number of shares involved. However, this relationship may change with time, since an immediate transaction may not be made.

**Effect on Income**

The company's income from investments was $150,306 last year, which appears to represent an average rate of 4.25% on the Government bonds at market value combined with call loans. This corresponds closely with the earnings of $4.25 a share in 1936. At recent prices for the shares this is an earnings rate of about 4.2%. In effect, therefore, the by-law would permit liquidations of investments producing about the same income return as the earnings on the shares. The income return on the investments, however, is higher than the dividend paid on the shares.

Putting it another way, if there had been only 140,000 shares outstanding in 1936, and if there had been no income from securities and call loans, earnings would be equivalent to slightly over $4.22 a share. This is very little less than the actual earnings of $4.25 a share.

A subsidiary effect of an eventual purchase by the company, of course, may be avoidance of a depressing influence on market value of Page-Hersey stock.

**Advantage in Purchase**

The possible advantage to shareholders seen in the proposed by-law is that if operating profits continue to rise the earnings per share would rise more than if the full 174,276 shares remain outstanding. In 1936, for instance, operating earnings gained by some $157,000, equivalent to $1.12 a share on 140,000 shares, but only amounting to an increase of about 90 cents a share on 174,276 shares.

In the 1936 report, President C. L. Dunbar says: "We are quite hopeful that 1937 will be a better year than 1936." He points out that export business showed practically no increase in 1936, but that it is likely to do so in 1937. He also mentions that improved earnings have had little stimulus from building construction. The implications are that there is considerable further scope for higher earnings than those for 1936.

# Com. Alcohols Draws Up Plan

### Offer of Rights to Preferred Holders Features Scheme

From Our Own Correspondent

MONTREAL.—Plans for the recapitalization of Commercial Alcohols Ltd. have been completed and a special general meeting of shareholders has been called for March 15 to consider the arrangement, the net effect of which would be to liquidate arrears on the preferred, which by April 1 will amount to $68 a share and provide for raising additional capital to finance plant extensions.

Commercial Alcohols at present has outstanding 2500 shares of 8% preferred, on which arrears of dividends by April 1 will amount to $170,000. The company is not in a position to meet this obligation. Further, it is considered essential by the management that plant extensions be provided and the necessary cash, some $60,000, will be provided through preferred shareholders' exercise of rights to subscribers to common shares.

The plan of recapitalization is set out in the following summary:

Each share of preferred stock is to be converted into 20 new preferred shares of $5 par value carrying preferential dividends at 8% per annum cumulative from July 1, 1937. The new preferred shares are redeemable at any time at $6.50 a share and will be convertible, at option of the holders, into common stock on the basis of six shares of common for five shares of preferred.

Preferred shareholders will be given the right to subscribe for shares of common stock at 80 cents a share on the basis of 1½ shares of common stock for each share of new preferred stock to be received on conversion of their present holdings.

At present there is a market of approximately $3 a share on the common stock, while the rights to be given to the preferred shareholders will be transferable.

The old common stock will remain unchanged.

# *Returns of U. S. Publishers Brighten Newsprint Picture*

From Our Own Correspondent

MONTREAL.—Further justification for optimism over the outlook for the Canadian newsprint industry is seen in the figures published by Editor and Publisher on circulation and advertising rates of all United States newspapers.

Total daily net paid circulation, both morning and evening, at the end of 1936 was 40.3 millions, an increase of 5.6% during the year and a new record high.

Circulation of Sunday papers at 29.9 millions rose 6.4% over the previous record circulation of Dec. 31, 1935. Sunday circulation is now over 11% above the level in 1929.

**Advertising Rates Up**

The trend in advertising rates is equally bullish. Average agate line rate in all morning and evening papers in the United States was 6.66 cents at the end of 1936, an increase of 3% during the year. The current level is the highest since these figures were shown in 1923. They are considerably higher than in 1929.

Average agate line rates in Sunday papers at 12.50 cents at the end of 1935 were over 9% above that reported at the end of 1935 and also the highest rates on record.

# Brandram Paint Plan Progresses

### Norman Holland's Offer Still Holds Good — New Issue Is Ready

From Our Own Correspondent

MONTREAL. — Considerable response is understood to have resulted from the offer made by Norman Holland, managing director to acquire for cash half the stockholdings of Brandram-Henderson's bond and preferred shareholders.

Following reorganization there was a cleavage of opinion between the directors and Norman Holland, when the directors announced that they were considering selling assets of the company. Mr. Holland opposed the suggestion because, he said in a letter to all shareholders, the sum offered for the property and under consideration by the directors would give the bondholders only 77 cents on the dollar while the shareholders would not receive anything.

**Offer Still Good**

An offer was then made to the shareholders by Mr. Holland, and is still in effect, to pay them $10 a share for half of their old preferred stock and $2 a share for half of their old common. He also agreed to buy from bondholders, at $2 a share, the 7½ shares of new no par value stock which each holder of a $500 bond will receive.

Both preferred and common stock have now been requested to deposit their present certificates for cancellation, so that they can obtain the new bonds and stock under the plan approved last April.

Under the new set-up each holder of a present $500 6% 20-year consolidated mortgage bond receives a $500 6% 20-year first mortgage income fixed interest bond, with 7½ new no par value common shares; the preferred shareholders receive five new no par value shares for each share formerly held and the common shareholders obtain one new for every one old share.

**Employees Get Bonus**

From Our Own Correspondent

MONTREAL.—Employees of Imperial Tobacco Co. and associated manufacturing companies will receive a service dividend of 5¼% of salaries or wages earned during 1936, according to an announcement made by the company. More than 4,000 workers will benefit under the plan, which was inaugurated last year with a payment of 5%.

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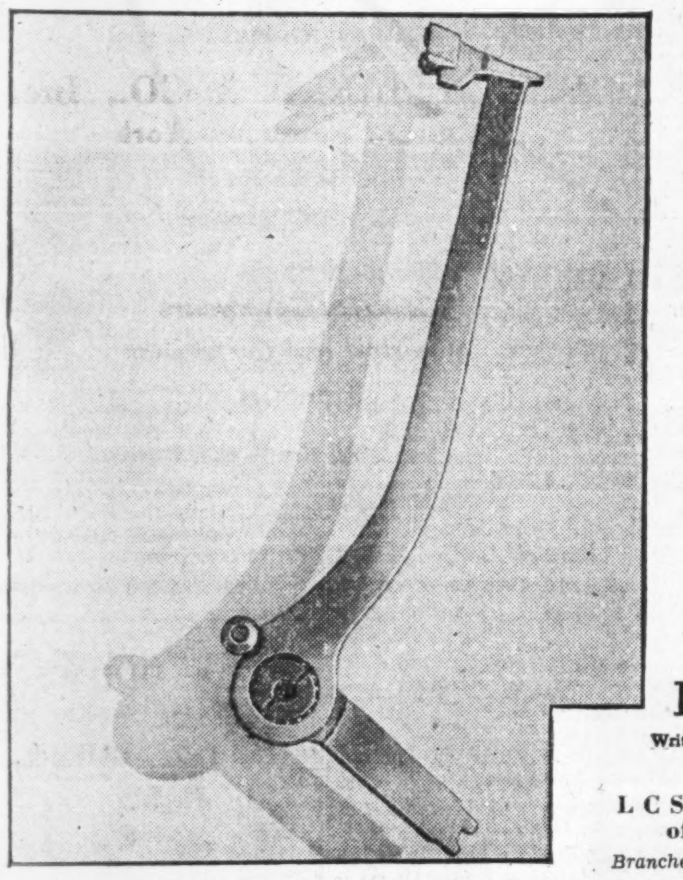

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**Investment Trends**

# Stock Market Control Difficult to Exercise

## Rising Share Prices Natural Accompaniment of Economic Recovery; Markets May Bring Their Own Correction This Year

Comments by Graham F. Towers, governor of the Bank of Canada, and Hon. Charles Dunning, Minister of Finance, suggest the serious possibility of something being done to try to stem what is regarded as a speculative tide in Canadian stock markets.

Margin requirements have already been raised by stock exchanges, and raising interest rates arbitrarily on call loans does not appear to have been effective in the past in halting speculation. Although the Bank of Canada has theoretical control over credit in Canada, its powers of restriction are somewhat limited by the influence of American and British credit conditions. Unless banks were to stop new lending on stock exchange securities it appears difficult to interfere with the upward trend of stocks which is a natural accompaniment of the pronounced economic recovery.

Investors will note that the stock market usually corrects itself when prices outrun business improvement. Some such recession is considered likely to develop this year. But the past history of Canadian stock movements suggests that it will be difficult to exercise control of speculative activity and that restrictions might simply divert funds into American markets.

General business activity in February appears to have shown somewhat less improvement than January over 1936 figures. There is some belief that increased commercial volume in the first two months was partly a reflection of expectations of an increase in the sales tax and consequently that there may now be some slackening in business.

### Important Decision

AS MEASURED by the official average, Toronto Stock Exchange industrials have run ahead into new high ground, in contrast with Montreal Stock Exchange industrials which have followed the hesitancy of New York. The situation in Wall Street, as measured by Dow-Jones averages is that railway shares remain within striking distance of the high of 59.9 for 1936. If the rail shares succeed in breaking through that level, it would be construed as an indication, under the Dow theory of forecasting, that there is a likelihood of further advance. If a move toward the old top fails to break through, it would be regarded as suggesting a possible substantial recession.

For the genuine investor, the important point is that the underlying long-term trend of share prices still appears to be upward. Even though there is another temporary rise, possibly followed by recession, the long-term investor must look toward the longer range trend for his guidance rather than to temporary movements.

* * *

### Oils Favored

SOME stock market commentators who advise caution in making new purchases at present levels, nevertheless believe oil shares still retain particular attractions. This is based partly on rising consumption, which reduced U. S. stocks of crude oil to 288.2 million barrels at Dec. 31, 1936, compared with 314.9 million at the close of 1935, despite record production last year.

The recent increases of 10 to 12 cents a barrel in prices for crude are expected by some analysts of the petroleum situation to be followed by another smaller increase before summer. Even though the increases are passed on to consumers in high prices for gasoline, it is suggested that another advance will be recorded in consumption this year. The result is expected to be substantially increased earnings for such producing companies as B. A. Oil and International Petroleum. As for the Canadian refining and distributing companies, Imperial, McColl-Frontenac, Canadian Oil and others, it is expected they will at least be able to offset higher costs of crude with higher retail prices. They will benefit from any increase in consumption, which, incidentally, has been helped by mild weather in southern Ontario.

* * *

### Textile Shares

A SUMMARY of the approximate effects of recent tariff changes on individual companies including textiles, appears elsewhere in this issue. Ever since the election of the present Dominion Government, warnings have been given in this column of the tariff cloud hanging over textile stocks. Meanwhile, the textiles have lagged far behind the advance of other stocks and some have even receded.

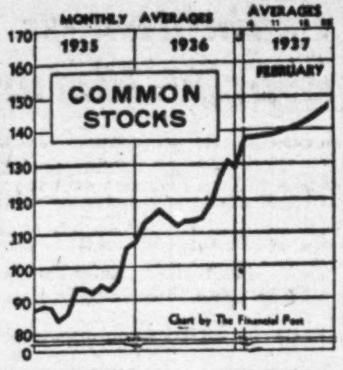
It is believed that the tariff changes are no worse than some of the companies had expected, excepting in woollens. Comparatively high yields on textile shares may warrant investigation of the individual securities, now that the bad news is out. As examples, there are yields of well over 6% available on Canadian Celanese and Dominion Textiles.

* * *

### Warnings on Stocks

HON. Charles Dunning has added his voice to those of numerous financial leaders in warning against stock market excesses. There is a forecast in these warnings that stock markets are headed toward an even greater boom. The reaction of markets to the warnings has been nil, reflecting the opinion of the investing public that it is too early to get out of stocks.

Since full economic prosperity has not yet been attained, it appears more likely that stock prices will be higher in the next two years than they are now. This is the faith that promises to keep investors hanging on and speculators gambling in stocks. There can be little argument with Mr. Dunning's comment that if the boom in stocks carries prices to great heights there will eventually be a crash. That would be economic history repeating itself. While there may be temporary hesitations, perhaps running for several months, it will be hard to halt the recovery process until the momentum exhausts itself.



## Security Offerings

### Consumers Finance Ltd.

From Our Own Correspondent

MONTREAL.—Consumers Finance Ltd. is making a public offering of $100,000 of capital stock, represented by 12,000 shares of 6% cumulative redeemable convertible preference stock and 4,000 shares of no par value common stock. The offering is being made in blocks of 12 preference and four common shares at $100 for the lot, when, as and if issued.

This company was originally incorporated in 1927 and is engaged in financing installment purchases. Earnings have been sufficient to pay the required dividend on the preference shares outstanding, with the exception of the years 1933 and 1934. However, there are no dividend arrears on the preference stock and during the nine months period ending Dec. 31, 1936, the preference dividends were earned by a comfortable margin.

The preferred stock is convertible into common on the basis of one common share for three preference shares. Further the stock can be redeemed on 90 days' notice on payment of a premium of 15%.

### Elected to Montreal Curb

From Our Own Correspondent

MONTREAL.—Aristide Cousineau, president of René T. Leclerc Inc., has been elected a member of the Montreal Curb Market.

# Bleached Sulphite Pulp Mill Planned by Sweezey Group

Formation of the Lake Sulphite Pulp Co. is understood to be nearing completion with the company planning to construct a mill for the manufacture of bleached sulphite pulp near the village of Nipigon in northwestern Ontario. Construction of this mill, costing about $6 millions will have a further effect in diversifying forest industries. Bleached sulphite pulp is used in the manufacture of high-grade papers and rayon.

Negotiations have been carried on by R. O. Sweezey, Montreal, as representative of Canadian, United States and British capital, and have resulted in allocation to the new company of sufficient timber limits to operate the mill. It is understood that timber limits allocated to the company will have 5,000,000 cords of pulpwood available over a period of 21 years.

Incorporation of the new company has been applied for under an Ontario charter. Under present plans, it is proposed to start work on the company's mill about June 1, with the first unit to have a capacity of 200 tons of sulphite pulp per day and to be completed within one year. This may be increased to 400 tons per day by 1939 or 1940.

The market for the pulp production is expected to be found largely in the United States mainly for manufacture of rayon. Due to increasing demand for bleached pulp in the rayon industry, the price has risen from a low average of about $45 a ton in 1933 to well over $50 at present.

### Saskatchewan Telephones Show Loss of $17,439

The Saskatchewan Department of Telephones reports an improvement in its business in the year ended April 30, 1936. During the year there was a net increase of 1,549 local telephones and 1,065 rural telephones connected to the department's exchanges. There were 175,716 more long distance messages completed than in the previous year.

Operations for the year resulted in a net loss of $17,439 after all charges. Total revenue for the year was $1,986,050 while operating expenses were $1,102,541. Interest, sinking fund and depreciation charges totalled $900,957.

### Standard Steel Cons. Co. Reduces Its Arrears

Standard Steel Construction Co. has declared a dividend of 75 cents a share, plus 75 cents per share on arrears, on its $3 class A preference stock. Both distributions will be paid April 1 to shareholders of record March 15. After this payment, the preference stock will be in arrears to the extent of $4.50 per share.

## Ind. Acceptance On $1 Dividend

### Resume Dividends on Stock After Lapse of Five Years

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. has declared a dividend of 25 cents a share on the class A stock payable on April 1 to shareholders of record March 22. Since this is a quarterly payment, it puts the shares on an annual dividend of $1.

This is the first dividend declared since 1932 and reflects the marked improvement which has occurred in the company's earnings during the past year.

While the financial statement for 1936 will not make its appearance for another week or two, it is understood that the company will report having handled about $15 millions worth of business with earnings on the A stock at $3.55 a share, compared with $2.12 in 1935 and 75 cents a share in 1934.

### Can. Locomotive Position Better

Canadian Locomotive Co. was able to earn $52,517 toward depreciation in 1936, and is starting 1937 with orders for 23 locomotives, which is the largest volume of business the company has had on hand for nine years. Because the 20 locomotives being made for the C. P. R. are of a new type, the proportionate profit in the business is difficult to estimate, it is understood. In 1929 and 1930, however, the company had substantial profits, covering bond interest comfortably.

There appear to be no definite enquiries for locomotives from the C. N. R. in the offing for the company. However, William Casey, president, comments that the railways are now attempting to put into effect a definite policy of replacing obsolete equipment.

### Manitoba Telephones Contribute Surplus

Manitoba's Government owned telephone system showed a surplus in 1936, the first in five years, according to a report tabled in the Legislature by Hon. W. J. Major, attorney-general.

Gross revenue totalled $2,872,321 an increase of nearly $37,000 over the previous year. Net earnings after operating expenses, maintenance and interest charges, were $362,124, of which $347,382 was applied to plant replacement fund. This left a surplus of $14,739.

### Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Mach and equip | Pulp and paper | Milling | Oils | Textiles and clothing | Food and allied prod. | Beverages | Bldg. mater. | Indust. mines | Total industrials | Total utilities | Total co's |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 8 | 6 | 4 | 4 | 10 | 13 | 7 | 14 | 2 | 68 | 19 | 96 |
| 1929-36:* | | | | | | | | | | | | |
| High .... | 432.5 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 205.4 | 281.1 | 591.3 | 317.6 | 166.0 | 198.3 |
| Low .... | 39.2 | 3.0 | 37.7 | 87.7 | 30.8 | 78.8 | 33.8 | 44.3 | 74.9 | 56.0 | 36.9 | 43.3 |
| 1937: | | | | | | | | | | | | |
| Jan. ..... | 156.3 | 37.2 | 119.6 | 229.6 | 77.3 | 184.2 | 141.0 | 197.0 | 549.3 | 222.0 | 68.5 | 137.4 |
| Weekly Figures, 1937: | | | | | | | | | | | | |
| Feb. 4 .. | 161.0 | 38.6 | 120.2 | 229.7 | 78.8 | 185.0 | 140.2 | 198.6 | 553.4 | 222.5 | 71.2 | 139.0 |
| Feb. 11 . | 165.5 | 36.0 | 120.0 | 228.1 | 78.5 | 187.2 | 138.6 | 201.2 | 552.7 | 222.6 | 72.4 | 139.5 |
| Feb. 18 . | 163.7 | 36.7 | 119.3 | 231.1 | 79.4 | 189.9 | 138.7 | 205.6 | 572.8 | 226.1 | 73.5 | 141.4 |
| Feb. 25 . | 161.7 | 36.4 | 121.7 | 237.6 | 77.8 | 189.7 | 139.6 | 208.8 | 609.7 | 236.2 | 74.5 | 146.3 |

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Mar. 2 ...... | 184.61 | 157.43 | 213.88 |
| Mar. 1 ...... | 182.98 | 158.12 | 211.66 |
| Feb. 27 ..... | 181.35 | 159.35 | 211.38 |
| Feb. 26 ..... | 180.45 | 160.63 | 211.73 |
| Feb. 25 ..... | 179.09 | 161.69 | 214.25 |
| Feb. 24 ..... | 178.87 | 158.59 | 213.32 |
| Month ago .. | 169.84 | 167.02 | 198.12 |
| Year ago .. | 140.02 | 130.54 | 141.23 |
| High, 1937 .. | 184.61 | 168.59 | 214.05 |
| Low, 1937 ... | 163.39 | 156.48 | 193.84 |

**Montreal Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Mar. 2 ......... | 88.7 | 113.4 | 105.1 |
| Mar. 1 ......... | 89.0 | 112.9 | 105.0 |
| Feb. 27 ........ | 89.6 | 112.8 | 105.1 |
| Feb. 26 ........ | 89.9 | 113.3 | 105.5 |
| Feb. 25 ........ | 91.1 | 113.7 | 106.2 |
| Feb 24 ..... .. | 91.8 | 113.1 | 106.0 |
| Month ago ..... | 88.5 | 112.3 | 104.4 |
| Year ago ...... | 73.4 | 77.8 | 76.3 |
| High, 1937 ..... | 92.5 | 115.6 | 107.8 |
| Low, 1937 ..... | 86.2 | 107.8 | 101.3 |

## Investment Notes

**Loblaw Groceterias**—Present indications are that sales of the company for 1936-37 will be the highest in its history. During 36 weeks ended Feb. 6 sales increased $1.7 million to $12.8 millions. If the current rate of increase continues, sales for the year ending May 31 should exceed the previous high of $18.4 millions in 1930. The increase in profits is keeping pace with sales so that the company may earn considerably more than the $1.11 a share for last year.

* * *

**Brazilian Traction**—The company started off the current year on the right foot, gross and operating earnings for January both showing sharp increases compared with the same month of 1936. While this augurs well, it is hardly likely that the company will maintain the January rate of increase throughout the year. In the first four months of 1936 earnings of the company declined, compared with the same months of 1935, whereas increases were recorded in the remaining months. Gross earnings in January, 1937, were up 18.9% and net earnings rose 20%.

* * *

**Imperial Tobacco** — During the past few years Imperial Tobacco, while maintaining dividends on the preferred and ordinary shares, has gradually increased its undivided profits; and its cash position, including investments in Dominion of Canada bonds, has materially improved.

* * *

**Ford of Canada**—A strike has occurred at a Sarnia foundry which supplies Ford cylinder blocks. This may be some interference with production which has been running at capacity, but probably only temporary.

* * *

**Canadian Investors Corp.**—In 1936 this Toronto investing firm bought $25,000 of Brown Co. 5½% bonds and sold $23,000 of Gatineau 5's and $25,000 of Soo Line 5½'s of 1978. Among changes in stock holdings are these:

| | Sold— |
|---|---|
| 100 Weston 5% pfd. | 450 B. A. Oil |
| 1,500 Donnacona A | 500 Can. Vinegars |
| 300 Hinde & Dauch | 10 Canada Packers |
| 1,500 Hud. Bay Min. | 1,100 Can. Dredge |
| 1,000 Int. Nickel | 100 Dom. Bridge |
| 2,000 J. A. Lang | 1,125 Hunt's "A" |
| 2,000 Macassa | 330 Hunt's "B" |
| 100 Montreal Pwr. | 1,000 Int. Pete. |
| 500 Noranda | 200 National Brew. |
| 500 Niagara Wire | 200 Nat. Biscuit |
| 1,000 Rogers-Maj. | 100 Ont. Equitable |
| | 250 Photo Engrav. |
| | 1,500 Wright-Harg. |

* * *

**Winnipeg Electric**—Ability of the company to earn depreciation and fixed charges under the new capital set-up is apparent from the monthly reports. During January the company had a net income after reserve for depreciation and paying interest on the senior bonds of $92,986, an increase of $10,896 over January, 1936.

* * *

**Dominion Tar**—While preferred shareholders have little fault to find with the plan to issue two common shares and to pay $2 in cash in settlement of dividend arrears, there is some disappointment with the proposal to reduce the preferred dividend rate simultaneously from 6½ to 5%.

* * *

**Commercial Alcohols**—It is somewhat difficult to calculate the value of the offer to preferred shareholders for each $100 share and $68 of arrears. The $100 is satisfied by the proposed issue of 20 shares of $5 each. The rights to buy 1½ common shares at 80 cents for each new preferred share have a theoretical value of about $66 for each old share. But it can be reckoned that the resulting dilution of the common reduces the value of the rights for each old $100 share to about $45.

* * *

**McIntyre - Porcupine** — Purchase of 300 shares in the final quarter of 1936 is reported by Investors Fund, Inc., American investing firm.

* * *

**Corporate Investors**—There were 657 shareholders at Jan. 31, 1937, the average holding being 281 shares. Directors held an average of 1,743 shares each.

* * *

**Toronto Elevators**—In the comment on the conversion of 7% preferred stock in last week's issue, no allowance was made for the fact that the company would have an additional $1.5 million of working capital in exchange for issue of some 45,000 common shares, if all the old preferred were converted. There would be a saving in interest charges, by use of the funds to reduce other borrowings, probably amounting to $1 a share for the increased amount of common stock. This would allow earnings of over $2.50 a share on a comparable basis with last year's results. But an increase in dividend might be deferred until the interest saving actually accrued to the treasury. There is no doubt that the heavier the conversions the more the dilution of earnings per share.

BUTTRESSED
BY
CAPITAL

Buttressed by a capital investment of more than one billion dollars, hydro-electric installations constitute a major factor in Canada's industrial recovery. But for this large investment in developing the 7,945,000 horse-power presently installed in Canada, sufficient power would not have been available last year to satisfy industry's vital demands for more energy. But generators were ready when industry called; central stations produced more power in 1936 than in any other year to date.

The vision which initiated this investment in Canada's power developments finds justification today in the unchecked gains in industrial activity.

*Following are some of the power and light companies whose financing we originated and whose securities we recommend:*

British Columbia Power Corporation, Ltd.
Canada Northern Power Corporation, Ltd.
Power Corporation of Canada, Ltd.
Southern Canada Power Company, Ltd.
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9A

ADVERTISER wishes to purchase an active interest in sound industrial company requiring additional capital. Have available six to eight thousand dollars. Proposition must stand thorough investigation by a man trained in accounting and factory methods. **Box Number 29, The Financial Post, Toronto, Canada.**

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ADVANTAGES

The shares of Commonwealth International Corporation Limited offer you—

1. Safety for your money
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4. Enhancement of value

. . . many shareholders have already enjoyed an appreciation of over 100%. Price approximately $4.50 per share.

CANADIAN ALLIANCE
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3

**Price Brothers & Company, Limited**

Price Brothers & Company, Limited business was originally established in 1817 and since that time the Company has become one of the foremost manufacturers of newsprint and lumber in Canada.

The Company owns and operates two newsprint mills with a combined annual capacity of 340,000 tons and three sawmills with production in 1936 exceeding 70,000,000 ft. board measure.

**Price Brothers & Company, Limited**
**5% First Mortgage Bonds**
To mature March 1st, 1957.
Denominations: $500 and $1,000.
**Price: 99 and interest, yielding 5.08%**

Descriptive circular will be forwarded upon request.

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London, Eng.
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EXECUTIVE AVAILABLE

Sales Engineer, around 40, with long experience in construction and allied industries, seeks larger opportunity. Well acquainted with architects, general contractors and dealers in building supplies and construction materials in Ontario. Has travelled from coast to coast. Invites discussion with firm requiring capable and progressive executive.

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**Toronto, Can.**

WANTED
Alberta General Agency

Responsible general agent can provide income of fifty thousand dollars controlled fire and auto premiums to insurance company in return for general agency contract coupled with reasonable volume of Alberta business now in force.

**Box 23, The Financial Post, Toronto.**

NEW ISSUE

**$6,577,000**
**General Steel Wares Limited**
**First Mortgage Bonds, Series "A"**
**To be dated April 15, 1937**

| Maturity | Coupon Rate | Principal Amount | Maturity | Coupon Rate | Principal Amount |
|---|---|---|---|---|---|
| April 15, 1940 | 3¼% | $225,000 | April 15, 1945 | 4 % | $ 225,000 |
| April 15, 1941 | 3¼% | 225,000 | April 15, 1946 | 4 % | 225,000 |
| April 15, 1942 | 3½% | 225,000 | April 15, 1947 | 4 % | 225,000 |
| April 15, 1943 | 3½% | 225,000 | April 15, 1952 | 4½% | 4,777,000 |
| April 15, 1944 | 3½% | 225,000 | | | |

Principal and half-yearly interest (April 15 and October 15) and redemption premium, if any, payable in lawful money of Canada at any branch in Canada (Yukon Territory excepted) of the Company's bankers, at the option of the holder. Bonds of each of the maturities 1940 to 1947 inclusive redeemable prior to their respective dates of maturity at the option of the Company, on at least 30 days' prior notice, as a whole at any time or in part by lot from time to time, at the following prices: maturities 1940 to 1942 inclusive at 101%; maturities 1943 to 1947 inclusive at 102% if redeemed on or before April 15, 1942, and at 101½% if redeemed thereafter prior to their respective dates of maturity; in each case with accrued interest to the date of redemption. Bonds of the 1952 maturity redeemable prior to maturity, at the option of the Company, on at least 30 days' prior notice, as a whole at any time or in part by lot, from time to time, at 102% if redeemed on or before April 15, 1942; and at 101½% if redeemed thereafter on or before April 15, 1947 and at 101% if redeemed thereafter prior to maturity; in each case with accrued interest to the date of redemption. The Company will have the right to purchase in the market bonds of any maturity at not more than the redemption price applicable at time of purchase and to re-issue the same at any time thereafter prior to maturity. Coupon bonds registerable as to principal in the denomination of $1,000. in the case of the maturities 1940 to 1947 inclusive. Fully registered bonds and coupon bonds registerable as to principal in the denominations of $500. and $1,000. in the case of the 1952 maturity, which fully registered bonds and coupon bonds and the several denominations thereof will be interchangeable.

Trustee: National Trust Company, Limited, Toronto.

**PRICE, 1952 Maturity: 97.34 and accrued interest, to yield 4.75%.**
**Prices 1940 to 1947 maturities, inclusive, upon application.**

We offer these bonds, subject to prior sale and change in price, if, as and when issued and accepted by us, subject to the favourable opinions on the mortgage and charge to be created by the Trust Deeds of Messrs. Blake, Lash, Anglin & Cassels, Solicitors for the Underwriters, as to assets and properties situate in Ontario and of Messrs. Brown, Montgomery & McMichael, Solicitors for the Company, as to assets and properties situate elsewhere in the Dominion of Canada, and to the approval of all legal details in connection with the creation and issue of the bonds and validity of the Trust Deeds securing the same by Messrs. Blake, Lash, Anglin & Cassels.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close subscription books at any time without notice.

A Prospectus, a copy of which has been filed under the provisions of the Companies Act, 1934, will be promptly furnished on request.

**The Dominion Securities Corporation**
Limited
**Wood, Gundy & Company**
Limited
**W. C. Pitfield & Company**
Limited
**Kerrigan, MacTier & Co.**
Limited

March 3, 1937.

**Bond Markets**

# Government Bond List Develops Better Tone

## Several Issues This Year Have Been Undersubscribed —Alberta Continues to Pay Half Interest— Bond Sales Decline

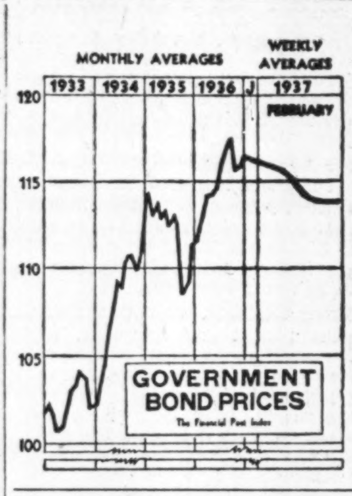
The Government bond market has developed a somewhat better tone, although evidence of weakness continues. Repetition of the sharp declines recorded in February is not looked for, expectations being that prices may become stabilized around present levels.

Demand for bonds of the four western provinces has developed as a result of improved sentiment arising out of the Dominion Government's announcement of temporary aid for the west pending the report of a royal commission. The result has been higher prices for the entire western provincial list. There appears to be little possibility of a further default in the west. For this reason some investors consider Manitoba, Saskatchewan and British Columbia bonds attractive investments at present levels.

The Alberta act reducing interest on its bonds may have been declared ultra vires, but the Government has no intention of heeding the decision at present. March 1 was an interest payment date for four of the Government's issues and only half interest was tendered on the due coupons. It is understood that the reduced payment was made under the order-in-council which was passed prior to the Interest Act. The Government is taking the attitude that the court judgment does not affect the validity of the order-in-council.

Experience of the city of Toronto with its $20 million-issue of Harbor Commission bonds must make the city fathers wish they had offered the refunding issue several months ago when the matter was first discussed. The price received for the issue was more than 3½ points lower than was then estimated. Interest for a three-month period is less than the loss resulting from the delay in making the offer.

Corporation bond prices have eased off further. The yield of 4¾% on General Steel Wares' new bonds is attractive when compared with the yields obtained on many corporation issues offered last year.



### Undersubscription

ONE of the underlying factors in the recent weakness in the bond market has been the undersubscription of a number of issues, and consequent congestion of securities in the market.

The first of these was the Ontario Government loan of $20 millions in January. Considerable difficulty was experienced in selling this issue and for some weeks a large amount of the loan remained in the hands of the underwriters.

The Dominion of Canada issue of $85 millions in New York had somewhat the same experience. The long-term portion of the issue went very slowly and it is understood that some of these bonds still remain in the hands of the underwriting syndicate.

The Dominion guaranteed C.N.R. issue of $35.5 millions at the end of January also had a poor reception, a large block of the loan being taken up by the Bank of Canada.

The reason was not lack of buyers, but rather a declining market. The issues were priced too high. Few investors are going to buy bonds of a new issue if comparable issues can be purchased in the open market at a lower price. This, however, is one of the difficulties with which underwriters are always faced when the market is declining.

Recent issues have met with more success. The Southern Canada Power and Price Bros. issues both met with good reception. Toronto Harbor Commission issue of $20.4 millions went much easier than was at first expected.

* * *

### Bond Sales Down

SALES of new and refunding issues of Canadian Government and corporations totalled $208.8 millions to the end of February, according to a compilation by Dominion Securities Corp. This represents a slight decline from the corresponding two months of 1936, when total sales were $213.2 millions. The above figures do not include sales of Dominion of Canada treasury bills which in the 1937 period totalled $100 millions and in the 1936 period $75 millions.

Government financing—Dominion, provincial and municipal—was substantially higher than in the first two months of 1936, while corporation financing was lower. The only railway financing was the sale of $35 millions of Dominion guaranteed C.N.R. bonds. The $85 millions issue of Dominion of Canada bonds was sold in New York.

Comparative figures of sales for the first two months of 1937 and 1936 are given below:

**Summary of Bond Sales**
Two Months Ended Feb. 28

| | 1937<br>$ | 1936<br>$ |
|---|---|---|
| Dom. of Canada .. | 85,000,000 | 48,000,000 |
| Provincials ........ | 20,000,000 | 850,000 |
| Municipals ........ | 32,402,492 | 9,095,675 |
| Public utilities .... | 15,000,000 | 30,000,000 |
| Railways ........... | 35,500,000 | 95,000,000 |
| Miscellaneous & industrial ....... | 20,975,000 | 30,350,000 |
| | 208,877,492 | 213,295,675 |

* * *

### Bond Index

THE trend of the high-grade bond market is indicated below:

**The Financial Post Index of Average Price and Yield of High-grade Govt. Bonds**

| 1937 | Price<br>$ | Yield<br>% | 1936 | Price<br>$ | Yield<br>% |
|---|---|---|---|---|---|
| Mar. 2 | 113.10 | 3.365 | Mar. 2 | 114.12 | 3.354 |
| Mar. 1 | 113.43 | 3.326 | Feb. 29 | 114.08 | 3.357 |
| Feb. 27 | 113.39 | 3.330 | Feb. 28 | 114.04 | 3.361 |
| Feb. 26 | 113.39 | 3.330 | Feb. 27 | 113.86 | 3.376 |
| Feb. 25 | 113.46 | 3.327 | Feb. 26 | 113.85 | 3.375 |
| Feb. 24 | 113.39 | 3.330 | Feb. 25 | 113.84 | 3.375 |
| Years Range | 113.10<br>116.81 | 3.365<br>3.026 | Year's Range | 117.91<br>111.50 | 2.966<br>3.597 |

## Income Tax Problems

My wife and I are partners in a retail business and we treat our earnings from the profits of the business as joint income, deposited in a joint savings account. On what basis should we report our profits from the business for income tax purposes?

---

The basis of taxing income from a business enterprise in which a man and wife act as business partners depends on whether profits are divided between the two. In the case of a man and wife holding the profits in common, the total income from the business is regarded as the income of either partner and taxed on that basis.

Partnerships, as such, are not taxed for income purposes but each partner is taxed according to the amount or proportion of income he or she derives from the profits of the business. Thus if a man derived 75% of the profits as his income and his wife received 25%, income tax returns should show the division in that manner. In the case of a man and wife sharing the profits equally, as partners, income would be reported at the same amount for each, but where the income is held jointly and there is no established division of the profits the income tax department may tax either of the two partners on the basis of the full amount accruing to both.

**No Allowance for Wages**

Contrary to the ordinary method of arriving at net profit from a business, no allowance is made for wages paid to husband and wife who are also in the relationship of employer and employee. A merchant employing a clerk deducts the latter's wages as a charge against his profits from the business, before arriving at his own taxable income, but when a husband pays a salary to his wife as his employee or she pays a salary to her husband as her employee, no recognition of such salaries is given by taxing officials, and they cannot be deducted as charges against earnings of the family business enterprise.

Whether husband and wife both report income from divided profits of their business or one is taxed for the full amount of income, the tax is collected on the income for the fiscal year of the business when the fiscal period does not coincide with the calendar year. Any income derived from sources other than the business must be reported for the calendar year.

## Company Reports

### Ottawa Power

Ottawa Light Heat and Power Co. reports an increase of $58,308 in gross income during 1936 as compared with 1935, but net revenue was somewhat less than reported the year before. Net profit available for dividends last year was $271,266, or about $33,000 less than paid out in dividends. In 1934 there was a book deficit of around $10,721 after dividends.

The principal change among the assets in the consolidated balance sheet at the end of last year was an increase in the company's holdings of its own bonds from a book value of $57,020 to $107,057. On the liabilities side of the balance sheet, the funded debt is shown at around $4.6 millions, a decline of $60,000. During the year the old issue of $1.5 millions of 6½% preferred stock was replaced by a new issue of $1.7 million preferred carrying a 5% coupon.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Net revenue .......... | 975,840 | 981,788 |
| Less: Directors' fees .. | 3,600 | 3,795 |
| Legal fees .......... | 2,403 | 887 |
| Exec. salaries ...... | 22,040 | 22,040 |
| Taxes .............. | 231,317 | 216,613 |
| Bond interest ...... | 234,750 | 237,313 |
| Debt discount ...... | 28,073 | 26,224 |
| S. F. premium ...... | 6,134 | 2,844 |
| Foreign exchange .. | 5,557 | 4,043 |
| Appraisal cost ..... | 700 | 1,250 |
| Depreciation ....... | 170,000 | 170,000 |
| Net profit ........... | 271,266 | 296,779 |
| Previous surplus ..... | 625,904 | 583,542 |
| Add: Net adjust. ..... | 5,324 | 53,083 |
| Less: Add deprec. .... | 50,000 | ...... |
| Pref. divds ........ | 94,375 | 97,500 |
| Common divds. ...... | 210,000 | 210,000 |
| Surplus forward ..... | 548,120 | 625,904 |

**Working Capital**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Current assets ....... | *768,930 | *689,688 |
| Current liabilities .... | 315,282 | 305,866 |
| Working capital ..... | 453,648 | 383,822 |

*Includes $107,057 company's own bonds; $27,020 in 1935.

### Montreal Cottons

Montreal Cottons reports a total revenue in 1936 of $910,896, a substantial increase over the previous year when $681,183 was reported. After senior charges, including an increase in appreciation reserve, net profit available for dividends totalled $405,406 as against only $244,987 in 1935 and $1,138 in 1934. Since the close of the year the board has declared a dividend of one half of 1% on the common, the first to be made in four years.

Improvement in earnings is reflected in the balance sheet, which shows an increase of over $300,000 in net working capital. During the year bank loans were reduced from $604,000 to $473,378. There were no major changes in the other items.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Operating income .... | 851,580 | 652,974 |
| Other income ........ | 59,316 | 28,209 |
| Total revenue ........ | 910,896 | 681,183 |
| Less: Bad debt res. .. | 1,297 | 5,525 |
| Depreciation ....... | 350,000 | 330,196 |
| Bond interest ...... | 20,150 | 20,638 |
| Income tax ......... | 100,000 | 45,000 |
| Legal expense ...... | 2,061 | 4,094 |
| Directors' fees ..... | 6,380 | 6,400 |
| Exec. salaries ...... | 25,600 | 24,343 |
| Net profits .......... | 405,406 | 244,987 |
| Less: Pref. divds. .... | 210,000 | 210,000 |
| Surplus ............. | 195,406 | 34,987 |
| Previous surplus ..... | *16,538 | 20,910 |
| To S. F. reserve ...... | 35,756 | 34,664 |
| To cont. reserve ..... | 100,000 | ...... |
| Surplus forward ..... | 76,188 | 21,233 |

*Deficit.

**Working Capital**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Current assets ....... | 2,553,109 | 2,404,405 |
| Current liabilities .... | 1,198,987 | 1,371,456 |
| Working capital ..... | 1,354,122 | 1,032,949 |

### Can. Investors Corp.

Canadian Investors Corp., reports net profits equal to 59 cents per share on its 100,000 common shares for the year ended Jan. 31, 1937, compared with 44 cents earned in 1935. Payment of a bonus of five cents per share on Feb. 1, 1937, brought dividends paid to 45 cents per share in the last fiscal year against 40 cents in the previous year.

Market value of investments in stocks and bonds, shown at cost of $1,296,174 at Jan. 31, 1937, was $1,216,488, showing a depreciation from cost of $79,686. Depreciation in market value of securities was $322,657 at Jan. 31, 1936.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Int. and divds. ....... | 71,830 | 53,158 |
| Less: Int. on loans ... | 3,503 | ....... |
| | 68,327 | 53,158 |
| Less: Rent, sals., etc. . | 2,496 | 2,693 |
| Regis. & aud. fees .. | 1,778 | 2,007 |
| Dom. inc. tax ..... | 2,739 | 3,691 |
| U S inc. tax ded. .. | 1,886 | ...... |
| Net profit ........... | 59,428 | 44,767 |
| Less: Dividends ...... | 45,000 | 40,000 |
| Surplus for year ..... | 14,428 | 4,767 |
| Add: Prev. surp. ..... | 131,141 | 126,633 |
| Inc. tax rebate ..... | 1,676 | ...... |
| Less: Addit. inc. tax .. | ...... | 259 |
| Surplus forward ..... | 147,245 | 131,141 |

**Capital Surplus Account**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Balance brought for'd. | 306,008 | 415,955 |
| Less: Net loss on secs. sold ............... | 49,400 | 109,947 |
| Cap. surp. forward ... | 256,608 | 306,008 |

### St. Lawrence Corp.

St. Lawrence Corp., holding company for St. Lawrence Paper Mills, Lake St. John Power and Paper Co. and Brompton, reports a loss in 1936 of $34,574 as against $8,961. During the year the company borrowed $157,000 from the bank in order to reduce the indebtedness of the St. Lawrence Paper Mills Co.

As a result of the reorganization of Lake St. John Power and Paper by which the company's holdings in that company were reduced from 99,246 shares to 24,811½ shares, it is planned to ask the shareholders to approve a reduction in the capital value of certain assets and a corresponding reduction in the capital account represented by the corporation's outstanding common shares. Neither the actual number of outstanding shares nor the actual value will be in any way affected by the proposed plan.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Loss on year ......... | 34,574 | 8,961 |
| Previous loss ........ | 20,531 | 11,569 |
| Deficit forward ...... | 55,105 | 20,531 |

### Imperial Tobacco

Imperial Tobacco Co. of Canada reports net profits of over $6 millions in 1936 compared with $5.8 millions for the year before. Earnings were equal to 59 cents a share on the ordinary shares, before income tax adjustment, as compared with 56.75 cents a share in 1935.

The balance sheet shows an improvement during the year of about $1 million in net working capital. Cash and Dominion Government bonds improved by about $1.6 million. Inventories remained much the same, while there was a slight decline in investment in subsidiary companies. Holdings of real estate, buildings, etc., increased moderately, while plant, machinery, etc., remained unchanged.

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Net profits ........... | 6,058,304 | 5,843,944 |
| Pfd. dividends ..... | 481,800 | 481,800 |
| Ordinary divds. .... | 3,307,861 | 3,307,861 |
| Surplus .............. | 2,268,643 | 2,054,283 |
| Previous surplus ..... | 8,842,840 | 8,500,488 |
| Balance ............. | 11,111,484 | 10,554,771 |
| ‡Final dividend ...... | 1,653,930 | 1,653,930 |
| Balance ............. | 9,457,553 | 8,900,840 |
| *Inc. tax adjustment .. | 75,150 | 58,000 |
| Surplus forward ..... | 9,382,403 | 8,842,840 |

‡For previous year on ordinary.
*Previous years.

**Working Capital**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Current assets ....... | 21,005,888 | 19,748,747 |
| Current liabilities .... | 2,125,328 | 1,816,410 |
| Working capital ..... | 18,880,559 | 17,932,336 |

### Page-Hersey Tubes

Page-Hersey Tubes Ltd. reports net profit for 1936 equivalent to $4.25 a share, compared with $3.68 a share in 1935. After payment of an extra dividend of 25 cents a share on the common, there was a larger addition to surplus than in 1935. Profits from subsidiary are not taken into the income account.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Operating profit ..... | 1,009,252 | 852,343 |
| Inv't. income ......... | 150,306 | 149,914 |
| Total income ......... | 1,159,558 | 1,002,257 |
| Less: Depreciation ... | 231,895 | 217,646 |
| Income taxes ....... | 137,813 | 99,435 |
| Exec., directors, legal fees, salaries ..... | 48,242 | 42,845 |
| Net profit ............ | 741,608 | 642,331 |
| Less: Pref. divds. .... | ...... | 220 |
| Common divds. .... | 562,656 | 507,160 |
| Surplus for year ...... | 178,952 | 134,951 |
| Add: Prev. surplus ... | 3,152,900 | 2,909,875 |
| Less: Add. income tax | 17,141 | 5,797 |
| Premium on pref. .. | ...... | 1,720 |
| Surplus forward ..... | 3,314,711 | 3,152,900 |

**Working Capital**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Current assets ....... | 6,305,237 | 5,977,901 |
| Current liabilities ... | 344,947 | 246,151 |
| Net working capital .. | 5,960,240 | 5,731,750 |

### Nova Scotia Reports Reduction in Deficit

Nova Scotia budget will reveal a deficit for the year ended Nov. 30, 1936, substantially lower than the forecast of $360,000 made a year ago. Deficit on ordinary account for the 14 months ended Nov. 30, 1935, was $515,410.

The improvement during the past year is attributed to expanding business activity and higher taxes. Furthermore, there has been a substantial reduction in relief costs.

During 1936 nearly all industries in Nova Scotia recorded an improvement. Coal mines produced 600,000 more tons than in 1935; gold output reached 10,000 ounces, 20 times the 1931 production.

## Municipal Finances

**Calgary,** Alta., tax collections in 1936, both current and arrears, totalled $3,583,526. This is equivalent to 95.57% of the levy. Collections of current taxes amounted to $2,816,423 or 75.11% of the levy. Collections of arrears totalled $767,103 or 62.65% of the total amount outstanding at the end of 1935.

* * *

**Saskatoon,** Sask., had a surplus of $21,412 in 1936. Of this amount $15,825 will be used to wipe out a deficit in the city's tax equalization account. Preliminary estimates for 1937 calls for a tax rate for municipal purposes of 17.7 mills, a reduction of 0.29 mills from 1936.

Total estimated earnings of the city's utilities for 1937 are $318,580. The actual surplus in 1936 was $309,009, or nearly $15,000 more than was estimated at the beginning of the year.

Transferance of $105,000 sinking fund earnings to general revenue account is provided by the budget. Last year $102,861 was transferred from sinking fund earnings.

* * *

**Brantford Twp.,** Ont., improved its financial position in 1936, a surplus of $7,589 being reported on operating account. Collection of current taxes amounted to $175,189. This is equivalent to 76% of the levy, an improvement of 3% over 1935. Bank loans were reduced during the year by $17,300 to $88,200.

* * *

**London,** Ont., is making a new departure in drawing up its 1937 budget. At the suggestion of Ald. L. S. Holmes the city is fixing its tax rate 39 mills, half a mill lower than last year. Estimates will be made to conform to this rate, which may mean some sharp reductions from departmental figures.

* * *

**Montreal,** Que., reports that relief costs in 1936 declined by $1,008,230 to $10,529,453.

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INCOME TAX—$6,261,832 Dominion Income Tax was collected in first 10 months of 1936 compared with $5,097,799 in 1935—an increase of $1,164,032. More income tax is paid in Vancouver than in Winnipeg, Regina, Saskatoon, Calgary and Edmonton COMBINED.

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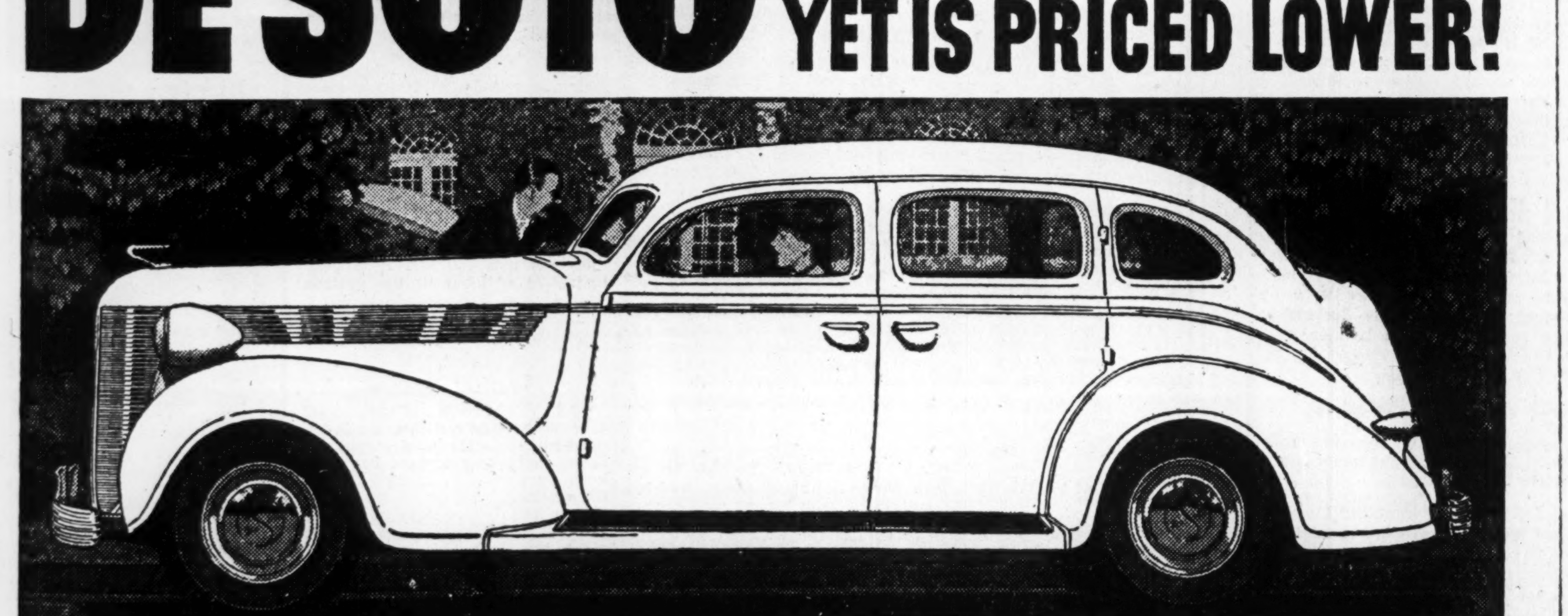

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TORONTO, MARCH 6, 1937

## The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

## Time to Budget for Surpluses

THE Minister of Finance offers Canada little hope of early tax reductions. He hopes to keep the deficit in the national accounts down to about $35 millions for the forthcoming year, and he adds:

> ". . . I am confident that it should not be beyond our powers to wipe out the deficit altogether during the following year and begin the period when progress can be made in liquidating the accumulated deficits which have been funded during the depression. That is the goal which we must steadily keep in sight."

Later in his address, he said:

> ". . . Another purpose which we had in mind was to facilitate the setting up, as soon as the condition of our national finances makes it practicable, of a general sinking fund to provide for the gradual amortization of our long-term debt on scientific lines."

It was pointed out by Graham F. Towers, governor of the Bank of Canada, in his address at the annual meeting of the bank, that Canadian governments—Dominion, provincial and municipal—have increased their debts by some $1,800 millions during these past five years of acute depression. He suggested that we ought to give consideration to using the more prosperous years to repay these debts.

Apparently Mr. Dunning has the same objective in mind, at least so far as the Dominion Government is concerned.

**It is probable that Mr. Dunning has again underestimated his revenues. Unless ill fortune dogs the footsteps of recovery he should be able, with his present high taxation rates, to balance his budget in 1937-1938 rather than in the following year. It can be done if the relief load can be lightened by eliminating the "won't works" from the rolls, and if any reasonable effort is made by the new management of the Canadian National Railways to keep within reasonable bounds in operating expenditures.**

**It is the new technique in public finance that central governments should not seek to balance their budgets in periods of depression; that they should help to take up the slack when purchasing power created by normal trade operations falls off sharply. Almost everywhere in the world governments have seized upon this principle and given it full play.**

Canada has increased its expenditures greatly and has this year touched a new peak since war and demobilization years. It has increased tax rates steadily but has fallen far short of balance in the public accounts. The record of the depression years in total public expenditures and in deficits has been as follows:

| | Expenditures millions | Surplus or Deficit millions |
|---|---|---|
| 1930 | $398.2 | +$ 48 |
| 1931 | 440.0 | — 83.8 |
| 1932 | 451.0 | — 114.2 |
| 1933 | 531.8 | — 220.6 |
| 1934 | 458 | — 133.5 |
| 1935 | 478 | — 116.1 |
| 1936 | 532.6 | — 160 |
| 1937 | 539.5 | — 87.4 |

The question that now arises is this: will governments in general and the Canadian Government in particular follow through to its natural corollary the policy of borrowing to meet depression bills? That corollary is simple: it is that as private business expands governments should curtail their own expenditures and operate, not simply on balanced budgets, but on surplus budgets which will clear away some of the burdens of debt created by seeing their countries through the depression?

It would seem that both Mr. Dunning and Mr. Towers see the inevitable necessity but can they convince the Cabinet and the country as a whole?

## Aberhart on Way Out

THE comedy of the Alberta Government is the tragedy of Alberta people. No more pretentious and cocksure government ever came to power in Canada; no prime minister was ever more certain of his magic power over the forces of good or evil. No government has ever failed so miserably or presented such a sorry spectacle of rank, unredeemed failure.

**Mr. Aberhart has failed to deliver Social Credit or any other form of moneyless Utopia. This was inevitable. But Mr. Aberhart has not been quite honest with his flock. He has not told them what he has learned of simple economic truth. He has jeered one day at those whom he praised the day before. He has been inconsistent at all times.**

**Now he admits failure. But it is not an honest admission; for he does not live up to his promise to quit if he failed. Instead he** has begun to turn what is apparently to be a rounded corner of large diameter. Mr. Aberhart may be able to go to his voters later in the year and be re-elected. But that will be but a temporary victory. The Aberhart administration is on its way out. It has only one source of strength; and that is the lack of common purpose among the those who could join to give Alberta saner government.

## "To Hell With Great Britain"

A BITTER attack upon Great Britain appeared in the last edition of Liberty magazine, published by Bernarr H. MacFadden, once a "physical culturist," now a publisher with a flare for text-and-picture sex and crime stuff.

The article is by John Erskine, the novelist. His title is, "In Plain American, to Hell with These Debt-Settling Foreigners." He warns that Great Britain and other European nations are now sending unofficial missions to the United States to wheedle gifts of money, of raw materials, of man power for the next war. Talk of making settlements of the war debts is, thinks Mr. Erskine, just the setting of another trap to catch Uncle Sam. He says:

> "If defaulting nations now talk of paying, it's because they contemplate another war, and could use our resources and our men. Great Britain surpasses them all in the art of persuading other peoples to die for her. She had others besides Englishmen to stop Napoleon at Waterloo. She had India and Japan and China and her colonies and the rest of us on her side in the Great War. The victory, when it came, was hers. The friendly outsiders went home to their natural condition of inferiority. The debts died. England owed nothing. The situation is ripe, therefore, to start the game all over again."

And much more of the same.

Accompanying this diatribe against Great Britain, is a cartoon. John Bull, a crafty-looking gangster type, is offering money to Uncle Sam in payment of the war debts. But beneath his feet is the trap into which Uncle Sam is being led; the trap of another war.

**It is easy to say why Liberty omitted this article from the edition that it prints for Canadian consumption.**

## Standing on Their Own Feet

IN ANNOUNCING the Royal Commission to investigate the financial relationships of the Dominion and the provinces, the Prime Minister said:

> "We propose to appoint a royal commission of enquiry to investigate . . . what should be done to secure a more equitable and practical division of the burden to enable all governments to function more effectively—and I may add, more independently . . ."

This sentiment was echoed by the minister of finance when he remarked in his budget speech:

> "It is a basic principle that a government should be able financially to stand upon its own feet—that it should be responsible for raising the revenue necessary to meet its own needs."

The achievement of such an objective would in itself warrant the appointment of a commission. As the financial problems of the provinces have increased, their burdens have been lightened by almost haphazard increases in their subsidies and by advances from the Dominion Government. The position has been reached where the central government raises money and the provinces spend it. This is certainly not satisfactory to the Dominion. And it is no more satisfactory to the provinces which would rather be able to budget for their own independent revenues and spend them without outside control.

If the new Royal Commission on the financial relationships of the ten major governments of Canada achieves simply this one objective: of showing us how to divide up responsibilities and revenues so that each of the governments will be able to stand on its own feet, it will have helped to make a nation out of Canada.

## We Prefer Bricks to Titles

WHEN the delayed New Year's titles honors list came out the other day one Canadian-born British statesman and business leader was elevated from a barony to a viscounty. Had he remained in Canada he would never have been permitted even to tack a humble "Sir" in front of his name.

Canadians think that their distaste for titles comes from essential love for the true democratic spirit. Probably this explanation merely rationalizes some deeper psychological complex, an innate smuggishness, an inferiority complex or a widespread jealousy of achievement.

**If one were drawing the blueprints for an ideal political and social structure one would probably make provision for bestowing an accolade of public honor upon those citizens who made the most notable contributions to the community. It might be a laurel wreath, or a badge or a title of address. Even Russia, which has more earnestly tried to design a new civilization than any other country in the last two thousand years, grants a title to the shock worker.**

A knighthood confers upon the recipient the right of being addressed as "Sir . . ." instead of "Mister . . ." It carries little else. **Any nation ought to be happy to have devised a system of so honoring and recognizing those who do the finest work in the spiritual, social, scientific, educational or political field.**

**Hereditary titles are different. There is little justification for providing that all the unborn generations of descendants of a great scientist should flaunt the title that he merited and was granted.**

It is hard to see any reason why the average Canadian should not be happy to recognize true merit and unselfish public service by speaking of Sir Mackenzie King, Sir Richard Bennett, Sir Oscar Skelton, Sir Herbert Bruce, possibly in time Sir Graham Towers and Sir Arthur Purvis. But curiously enough the average Canadian would rather see these men, or anyone else who makes good in his chosen field, investigated by a Royal Commission.

Truly our attitude toward titles is, on the whole, a little irrational, even shortsighted.

## Only Barrier to Balanced Budget

> ". . . . the over-all deficit for the coming year should not exceed $35 millions. Stating my expectations another way, I will be greatly disappointed if we cannot keep our total deficit within the limit represented by the net cash deficit of the Canadian National Railways System."

IN PUTTING the budget situation for the coming year in that manner, Mr. Dunning makes it clear that we have no more pressing national problem, calling for solution, than the problem of the deficits on the Government railways.

Of the total Dominion deficit of $87.4 millions during the current fiscal year, no less than $44.5 millions represents losses on "Government-in-business." In the past five years we have gone behind $763.6 millions in our national accounts and, of the total loss, $435.1 millions represents cash losses on Government-owned business enterprises, notably the Canadian National Railways. Actually the enterprises cost us much more because much of our public debt represents moneys borrowed for investment in them, but the figures given represent the cash deficits on these enterprises.

What Mr. Dunning's statement reveals however, is that Canada could easily have a balanced budget in the coming fiscal year if it were not pouring money down the sink-hole of Government railway operation.

Surely this suggests what Mr. Dunning and his colleagues ought to do about the situation; they should show genuine courage in meeting the railway problem and put into force that bold and constructive solution that is necessary to get rid of the deficits.

## Editorials in Brief

**One of the most** interesting changes effected in the new budget is the provision whereby antiques over 100 years of age come in free of duty when imported from Great Britain. Apparently antiques from other countries will continue to pay duty at various rates.

It is also provided that violins, violas and cellos more than 100 years of age come in duty free. This will be of considerable assistance in the development of symphony orchestras in Canada. It was shortsighted to think of such musical instruments as being in competition with the products of Canadian makers. Rather, they provide inspiration for Canadian violin-makers.

The effect of these two measures on Canada's cultural life should be stimulating.

Readers of The Financial Post will recall that a few weeks ago we suggested the very action that has now been taken. Canadian Homes and Gardens, a sister publication, has for many years pointed to the advantages to Canada of permitting antiques to come in duty free to provide models and ideas for Canadian makers. In many businesses where craftsmanship and good taste are important factors, the benefit will be felt.

Mr. Dunning is to be congratulated upon a forward step that every finance minister for many years has refused to take. He should not hesitate to extend duty-free entrance to all antiques of 100 years or more, no matter from what country imported.

* * *

**As a result of** good luck and good management, Canada's experiment into the realm of wheat marketing is not going to be quite as costly as feared. Finance Minister Dunning estimates that almost half of the $15.9 millions set aside for Wheat Board losses a year ago will be recovered. Steadily higher world prices, as Canada's unwieldy wheat surplus has been gradually liquidated, have allowed us to get rid of what Mr. Dnnning correctly describes as "a liability to our national finances of menacing proportions."

With a carryover running at one time nearly 10 times above normal, and with no buyer certain of when or where Canada was prepared to sell, there was no hope for order in the wheat industry so long as such a situation existed. A little over a year ago, J. R. Murray was put in charge and told to liquidate, but without resorting to fire sale methods. Today our carryover is down to normal proportions and growers can go ahead and plant with the assurance that once more there is a normal and healthy demand for their product.

But at the end of the government fiscal year last March, Mr. Murray's work was only well started, and Mr. Dunning, like any good businessman facing surplus stocks, prudently wrote off a portion of the current loss. Fortunately that provision now turns out to be more than sufficient.

## Sayings of the Week

"Experience goes to show that the more democratic a country is, the longer the honor list."—*Rt. Hon. Stanley Baldwin.*

* * *

"The good neighbor is tolerant, but his toleration does not include those who would introduce discord from elsewhere."—*Cordell Hull.*

* * *

"It is of great importance to democracy that means be devised to engage young people and adults in fearless and free discussion of public affairs."—*President Roosevelt.*

* * *

"The fact remains that we were unable to accomplish what we had hoped in the time stated—probably the reasons for our failure are more or less evident."—*Premier Aberhart.*

* * *

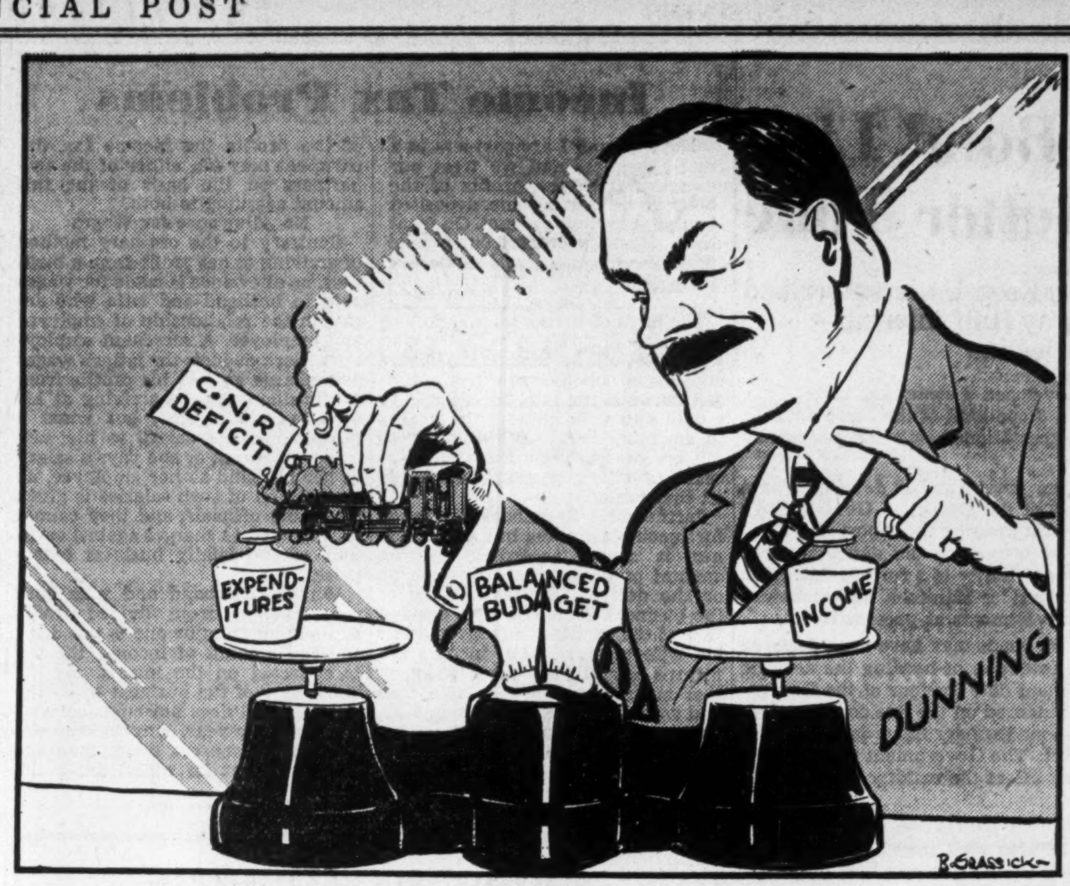
"We will either make progress in our day or prove unworthy of our fathers and neglectful of the opportunities that beckon us."—*Hon. A. P. Patterson, New Brunswick Minister of Education.*

* * *

"Until the hearts of men are changed, the League of Nations cannot be the guarantee of peace which its founders tried to provide for the world."—*Sir Austen Chamberlain.*

* * *

"Anyone who depends entirely on his neighbor for protection without doing anything himself lacks that kind of self-respect and manliness which entitles him to citizenship." — *Rt. Hon. Mackenzie King.*



—Cartoon by Grassick.

**A BALANCED BUDGET EXCEPT FOR ONE THING**

I will be greatly disappointed if we cannot keep our total deficit within the limit represented by the net cash deficit of the Canadian National Railways."—*Hon. Charles A. Dunning.*

# New Books

## Kipling All Too Brief

SOMETHING OF MYSELF: "For My Friends Known and Unknown." The autobiography of Rudyard Kipling. Published by the Macmillan Company of Canada. Toronto. Price $2.

Kipling's autobiography is brief and it scarcely begins to tell all Kipling could have said about his life. It must be that Kipling planned to write more and that, had he lived another few years the autobiography would have run to greater length. But for what he has given us, let us be grateful. For the Kipling enthusiast every word will be a volume in itself. Kipling's last gift to the English-reading world is one worthy of his great talents.

"Something of Myself" is a striking exemplification of Kipling's writing rules in practice. Not a word is wasted. There may be chapters that Kipling never got around to writing but those that do comprise this volume have been rewritten and condensed until one word does the work of two. Kipling gives in his final chapters some advice to writers. It is terse and invaluable. Speaking of his Anglo-Indian tales he says:

> "They were originally much longer than when they appeared but the shortening of them, first to my own fancy after rapturous rereadings, and next to the space available, taught me that a tale from which pieces have been raked out is like a fire that has been poked. One does not know that the operation has been performed but everyone feels the effect. Note, though, that the incised stuff must have been honestly written for inclusion. I found that when, to save trouble, I 'wrote short' ab initio much salt went out of the work."

### Most of His Life

So it is that Kipling's all too brief 200-odd pages tell a large part of the story of his life, from the rich creative years of his childhood with an Indian nurse and later with his Victorian guardians, his Stalky and Co., years at school, his overworked days as half of the editorial staff of an Indian paper, to his years in Vermont, his adventures in Africa, his tours through Canada, and finally the peace and quietude of England when he discovered Roman and medieval England as a fountain of stories. Every page contains some newly revealed secret for Kipling lovers:—where he learned the Indian idiom; what inspired "Puck of Pook's Hill," why it is "On the Road to Mandalay" and not "Oh, the Road to Mandalay" as it should be; why he detested American "decivilization" and honored Canada; where he got his technical knowledge of steamships and big guns and the world's geography; how he knows so much about the hearts and minds of children.

Many figures cross the pages, the original Stalky, Cecil Rhodes, Jameson (who called Laurier "That dam' dancing master"), and Burne-Jones. Other great figures of fiction and that lesser reality, life, also appear, cloaked in anonymity.

It is a book of art and magic; a farewell message of extraordinary vividness and liveliness that ends with a curious Kiplingism—a reference to those "air routes to the East and Australia which were well in use before my death."

## New Books About Russia

The making of a dynasty, that of "The Guggenheims," is told by Harvey O'Connor in one of the new non-fiction titles on the spring list of George J. McLeod, Ltd., Toronto.

In another important volume, "The Letters of Lenin" have been translated by Elizabeth Hill and Doris Mudie. Albert Rhys Williams, in "The Soviets," tells from personal knowledge of Lenin and Stalin and of the present economic and military organization of Russia.

McLeod's list also includes Freda Utley's "Japan's Feet of Clay" which has been causing a stir in the Old Country for its debunking of Japan's boasted civilization.

A topic of timely interest is covered in Maxwell S. Stewart's "Social Security."

## Public Affairs

DALHOUSIE UNIVERSITY BULLETINS ON PUBLIC AFFAIRS—I TO IV.

Dalhousie University recently established an Institute of Public Affairs with the objective of training students for public service, promoting co-operation between Governments and Universities in the field of public administration, and to undertake and encourage research in that field. To that end the Institute has been addressed by a number of speakers, whose papers have been reproduced in pamphlet form. The initial four publications deal with the Dalhousie Institute of Public Affairs by President Carleton Stanley of Dalhousie University; Unemployment and Unemployment Relief in Nova Scotia by L. Richter; Discussion of Municipal Finance and Administration by Thomas Bradshaw, Toronto; and the Crisis of Democracy by B. K. Sandwell. Copies of these publications can be had on application to the Institute of Public Affairs, Dalhousie University, Halifax.

## Studies Labor Office

A study of the International Labor Office at Geneva by Kathleen Gibberd will be published by J. M. Dent and Sons (Canada), Toronto, under the title of "I.L.O.: The Unregarded Revolution."

Dent's Spring List contains a number of interesting travel titles including "Britain and the Beast," written by many writers and edited by Clough Williams-Ellis; "Modern Scotland," by Cicely Hamilton; and "The London of George VI," by E. O. Hoppé.

## Emperor Tells All

The Emperor of Abyssinia is now completing his memoirs, which will be published shortly. In Canada the volume will be brought out by Reginald Saunders, Toronto. The Emperor is writing in Amharic, which is being translated, and it is said that he "will tell the full story."

Also on the Saunders list for spring is "Orientations," the autobiography of Sir Ronald Storrs, who knows the Near East and will be able to add to our knowledge of Lawrence of Arabia and our understanding of the Near East.

M. MacNeill Weir has a new "candid" character study of Ramsay MacDonald; H. C. Armstrong has written a life of General Jan Smuts under the title "Grey Steel"; Mrs. C. F. G. Masterman has written the life of her famous husband and William Blackwood, well-known raconteur of Fleet Street, has completed "Another Scot in Fleet Street."

The house of Saunders will also publish "Krupp; The History of the Lords of Essen," by Bernhard Menne and "World Revolution; 1917-1936. The Rise and Fall of the Communist International," by C. L. R. James.

## Life of Edward VIII

Already a full-length biography of Edward VIII from birth to abdication is announced. Written by Hector Bolitho, who has been granted exceptional facilities for the purpose, it will be published in April by Musson Book Company, Toronto.

Ralph Borsodi, who has been a persistent fan for "back-to-the-land" has written a new book, "How People Get Their Living" which will be out in May. Another Harper author is Lawrence Dennis, ex-bond salesman, who turned writer when his "Is Capitalism Doomed" became a best seller. Musson will handle in Canada his "Let Europe Fight it Out," due next month.

Also on the Musson list of non-fiction titles for spring is "World Finance, 1935-1937" by the prolific Paul Einzig; "The Roots of Evil" a study of penology by the Hon. Edward Cadogan; a new life of Napoleon, by R. McNair Wilson, and "The Mind of Man," a story of mental healing through the ages, by Dr. Walter Bromberg.

# Other People's Views

### Congratulations, Kings

Saint John Telegraph-Journal

Hats off to the municipality of Kings County for its fine financial showing during the year. Despite the fact that the demands on the treasury were greater than ever before, the municipality finished the year with no loans outstanding, no bank overdraft and no bonded indebtedness, and a cash balance of more than $19,000. With assets totalling $125,000, the county's liabilities are but $23,000, leaving a safe and comfortable balance on the right side of the ledger.

Kings has maintained its present good showing through many years. It has done so by keeping its expenditures well within the capacity of its taxpayers to pay, and at the same time it has paid particular attention to collecting its assessments. Its record is an enviable one, and it stands as a fine example to all public bodies in the province.

# Folks in Finance

## What? No Hats!

HERE are two little items of news which we feel suggest some line of action from the hat manufacturers.

Sir James Dunn, the New Brunswick boy who became a big London financier, was in Toronto all last week. It was rather cold in Toronto but Sir James Dunn went around town without a hat. He explained that he never wears one.

Percy Grainger, the eminent Australian pianist and composer, was also in Toronto last week. He showed up at Massey Hall for the concert of the Toronto Symphony Orchestra in white tie and tails. But no hat. And no overcoat. He made everyone else feel a shiver when he walked out into the bitter night dressed exactly as he was dressed while sitting in the heated auditorium. But he was himself warm and comfortable.

Just by way of contrast another Australian in Toronto last week presented a different picture. He was Sir Hubert Wilkins, world-famous explorer. He has spent months at a time in the Arctic and the Antarctic with the temperature as cold as 70 degrees below zero. One would think that Toronto's 12 to 18 above would seem like mid-summer to him. But not so. Sir Hubert complained of the weather. He could stand the Arctic temperatures but Toronto seemed cold to him. One reason, he explained, was that in the Arctic he was dressed for whatever came in the way of weather. But he could not go around Toronto with half a dozen layers of canvas and fur wrapped around him.

# Post-Scripts

## No Views Are Good Views

EACH week, Mills, Spence and Co., Toronto investment dealers, send out a postcard to their clients. On it is written some brief message, usually an extract from some pontifical financial authority like the president of a British bank, an economist, or even The Financial Post.

Last week, through some inexplicable error, an extra set of cards went out—perfectly blank. On thinking it over, Mills, Spence and Co. have decided not to apologize to their readers for the mistake. And this the reason they give:

"The 'special supplement' may have been a refreshing change, giving them for one brief moment a glimpse of the financial millennium, where there will be nothing left to say—no problems of debt, default and deficits and no controversies on the future of interest rates and stock prices.

"Perhaps that is why so many of our readers wrote or telephoned their appreciation of this little extra effort on our part. Some, however, were so unkind as to suggest that the card embodied our opinion on the immediate outlook for the bond market. One of the comments received is worthy of preservation:

"'It is a long time since your card contained anything as profound as this one and it is very indicative of ideas at the present time. It is at least a help to know that some other people don't know what it's all about either.'"

## Floating Homes

ARRANGEMENTS have been made for special mooring facilities in the Thames for a number of liners and other passenger vessels bringing visitors to London for the Coronation.

Provision has so far been made for 15 large vessels apart from many private yachts, etc. Special positions for mooring have been allocated at points between Gravesend and London Bridge.

Arrangements are being made to provide tender services between vessels and different points on shore.

It is roughly estimated that as many as 10,000 Coronation visitors may be accommodated afloat in the Port of London.

Mooring accommodation will be arranged for a considerable number of privately owned yachts between Greenwich and Chelsea.

# Stop Me If You've Heard This One . .

Mr. Smith—Any installments due today?

Mrs. Smith—No, dear, I think not.

Mr. Smith—Any payments due on the house, the wireless set, the furniture, the rugs, or the books?

Mrs. Smith—No.

Mr. Smith—Then I've two pounds we don't need. What do you say if we buy a new car?

# In the Mail

(Not over 200 words, please)

### A Woman Objects

Editor, The Financial Post:

Like many another woman, I felt that Mrs. Mary Sutherland's appointment nine months ago was a good one, and the flattering write-up in your columns at the time confirmed that feeling. But her expense account of nearly $5,600 for nine months has come as a bitter blow. Our confidence is gone, and Mrs. Mary Sutherland of Wells, B.C., should resign her appointment.

It is the exception that proves the rule, and I still maintain that more women in public life would make for cleaner and more economical administration.

CANADIAN,
Langley Prairie.

Editor's Note: In answer to a question in the House of Commons, Mrs. Sutherland's expenses to date were given as $2,151 for travelling and $3,439 for living allowance.

### Albertan Correspondent

Editor, The Financial Post:

My attention has been drawn to an article appearing in The Financial Post of Feb. 20, which is very unfair and not at all true as regards myself. I feel sure you have no intention of damaging a poor helpless newspaperman . . . .

The story gives the impression, if it doesn't state so definitely, that I am in the employ of the Alberta Government or of Premier Aberhart in the capacity of a sort of liaison officer between him and the Calgary Albertan. I assure you there is not a line of truth in that statement. You will readily see how its publication is likely to do me an injury. Newspapers away from here whose correspondent I am will not relish my being an employee of the Provincial Government . . . .

All there is about my situation is that, among other newspapers, I am a representative of the Calgary Albertan, I am paid space rates by the Albertan, have no understanding with the Premier or the Government and get not one single cent from any other source than legitimate newspaper corresponding . . . .

T. B. WINDROSS,
Edmonton.

Editor's Note: The Financial Post did not say and had no intention of suggesting that Mr. Windross was a salaried official of the Alberta Government or a paid employee of Mr. Aberhart. Nor did it suggest that the articles Mr. Windross might write for other newspapers would be similar in character to those he writes for the Calgary Albertan, the official government newspaper, of which he is Edmonton correspondent.

# As Others See Us . . . .

### Immigration

Winnipeg Free Press

Great prominence was given to the subject by The Financial Post last week. Immigration is a factor in national security, it says. The most acceptable policy to Canadians, it believes, is one of assisted land settlement, the prospective settlers being very carefully selected. But, in a full page article, the closest the writer comes to saying exactly what the Government should do, is to remark that the Government "has before it the proferred assistance of Great Britain. That country last month prolonged and enlarged the Empire Settlement Act and now offers $7,500,000 annually toward paying up to 75% of the cost of approved schemes of assisting Empire settlement." What then? Is it suggested by The Financial Post that Canada should pay the other 25% of the cost of an assisted settlement scheme? Apparently that is to be inferred, but it is not definitely stated.

With the vacant areas of fertile land in Canada we must, of course, look to an influx of new people sooner or later. It will have to be selective immigration, and the old argument that newcomers would simply force out and replace those already here, does not hold under conditions that now exist. In past years, our people could move off to the United States, as did some of the immigrants. That cannot be done now, since admission to the United States is much more restricted. An influx of selected classes of immigrants would therefore mean a definite increase in our population.

There are many new sides to the old question of immigration and land settlement. Canadians will have to work out the best policy for this country under all the new circumstances. They will have to decide whether or not immigration should be stimulated, and they may have to decide whether and to what extent the settlement of people from Great Britain and of Canadians should be assisted by the Government.

### How Long Can it Last?

Lethbridge Herald

Wilfrid Eggleston has been doing some research work for The Financial Post on the relief problem after seven years, and what he brings to light is disquieting, to say the least.

Just how long can it go on? Figures released a month ago showed practically 1,100,000 people in Canada on relief. That is to say that each nine families who are working are maintaining the tenth. This is a country which is only a generation or two away from the pioneer stage, where it was a case of "root hog or die" so far as the pioneers went.

Our own guess is that, much as the municipalities—which are directly up against the relief problem through being required to administer it — may object, there will be a scaling down of relief this year, a pushing of the unemployed out of the nest, leaving them to their own resources to find their way of living. Unemployed may as well face the issue; the people who are working cannot much longer afford to keep on relief those as well able to work as they are.

**Week in Business**

# Budget Relieves Fears Of Jump in Sales Tax

## But Goods Accumulation in Anticipation of Higher Levy Will Take Time to Digest — Strikes Threaten Recovery

Canadian business read its budget with a good deal of relief. There was no increase in the 8% sales tax.

In many quarters there was a strong belief that this unpopular, but to the Government highly profitable levy, might be raised to an even 10%. In fact opinion was so general that in many industries heavy stocks of goods were purchased in the last month or two in anticipation of a higher impost.

This pre-budget accumulation resulted in bigger than seasonable business since Christmas, but to digest the surplus on hand now will probably mean some restriction in buying in March and April.

• • •

### *Anticipate Big Business Increase*

But after all the Dominion Government is expecting to get something more out of its sales tax this year. The increase will not come through a higher levy but as a result of more volume.

In the last fiscal year the sales tax netted the Ottawa authorities some $115.5 millions. This year Finance Minister Dunning estimates that the same tax will bring in $131 millions. In other words the Government is expecting an increase of nearly 13.5% or $200 millions in Canadian business during 1937-38.

• • •

### *Strikes Hamper Recovery*

United States business so far this year has been disappointing, according to the latest statement from the Board of Governors of the Federal Reserve System. Volume which usually increases at this season has actually declined.

While the unseasonably cold weather in the central and western States and the Mississippi floods are blamed for some of this loss, strikes are believed the chief cause. Automobile factories, packing plants, port shipping facilities, glass and lumber all were seriously affected and even if troubles were over now it is estimated that at least another month would elapse before production could catch up to early schedules.

Unfortunately there is as yet no indication that strike troubles are over in United States nor that they will be confined to that country. Already the epidemic has spread across into Canada, though until the walkout of furniture makers in western Ontario this week, nothing very serious nor widespread had yet been reported.

Strikes seem to be the inevitable companion of recovery during the early period of adjustment when labor and capital do not appear able to agree on mutually satisfactory distribution of new earnings.

### *Favorable*

Gross earnings of both railways substantially higher for week and net revenue much improved in January. Employment index all industries and manufacturing up over five points at beginning of February.

## Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

| WEEKLY DATA | Latest 1937 | Latest 1936 | Cumulative Total Jan. 1 to date 1937 | Cumulative Total Jan. 1 to date 1936 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Feb. 20) | ▲46,708 | 43,256 | 324,592 | 278,088 |
| C.N.R. gross earn. (Feb. 21) .. $ | ▲3,495,314 $ | 3,127,186 $ | 20,316,674 $ | 21,922,101 |
| C.P.R. gross earn. (Feb 21) .. $ | ▲2,398,000 $ | 2,190,000 $ | 17,466,000 $ | 15,878,000 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (Feb. 20) | ▲116.0 | 109.7 | ...... | ...... |
| **MONTHLY DATA** | | | | |
| **Business Conditions—** | | | | |
| Financial Post index (Jan. '37) | 118.7 | 108.1 | ...... | ...... |
| **Transportation—** | | | | |
| C.P.R. net revenue (Jan.) .... $ | ▲913,509 $ | 612,572 | ...... | ...... |
| C.N.R. net revenue (Jan.) .... $ | ▲83,223 $ | ‡576,330 | ...... | ...... |
| **Iron and Steel (Jan.)—** | | | | |
| Pig iron production (tons) | 66,400 | 61,336 | ...... | ...... |
| Steel ingots and castings prod. (tons) | 115,237 | 100,225 | ...... | ...... |
| **Automobiles (Number)—** | | | | |
| Passenger Cars: | | | | |
| Domestic sales* (Dec. '36) | 9,583 | 5,244 | 94,203 | 83,242 |
| Factory output (Jan.) | 15,009 | 11,231 | ...... | ...... |
| Trucks and Buses: | | | | |
| Domestic sales* (Dec. '36) | 1,021 | 842 | 20,438 | 18,219 |
| Factory output (Jan.) | 4,574 | 2,041 | ...... | ...... |
| Exports (Jan.) | 5,314 | 6,622 | ...... | ...... |
| **Construction—** | | | | |
| Building permits (Jan.) ..... $ | 1,684,502 $ | 1,302,758 | ...... | ...... |
| Contracts awarded (Jan.) .... $ | 6,622,200 $ | 13,610,400 | ...... | ...... |
| **Newsprint (tons)—** | | | | |
| Production (Jan.) | 287,691 | 227,955 | ...... | ...... |
| Exports, tons (Jan.) | 259,543 | 184,883 | ...... | ...... |
| **Sugar (lb.)—** | | | | |
| Melting & sales§ (raw) | 48,509,347 | 63,639,724 | 930,021,256 | 876,813,650 |
| Manufactured§ | 95,656,430 | 88,679,521 | 1,055,584,264 | 980,625,260 |
| **Flour (bbls.)—** | | | | |
| Production (Dec.) | 1,090,392 | 957,219 | 14,957,870 | 14,208,802 |
| Wheat flour exports (Jan.) | 313,923 | 314,311 | ...... | ...... |
| **Trade—** | | | | |
| Retail trade (index no. of sales) (December) | 81.8 | 76.8 | ...... | ...... |
| Imports (January) ..... $ | 51,882,618 $ | 40,590,276 | ...... | ...... |
| Exports (January) ..... $ | 83,416,124 $ | 64,744,324 | ...... | ...... |
| Wheat exports (bus.) (Jan.) | 9,789,027 | 7,557,320 | ...... | ...... |
| **Employment D.B.S. Index (Feb. 1)—** | | | | |
| All industries | ▲104.1 | 98.4 | ...... | ...... |
| Manufacturing | ▲105.3 | 98.5 | ...... | ...... |
| **Electric Power Output (Jan.)—** | | | | |
| Total monthly m.k.h. (000's omitted) | ▲2,319,158 | 2,091,041 | ...... | ...... |
| **Other Industrial Indices—** | | | | |
| Lumbering: | | | | |
| Plank & board exports M bd. ft. (January) | 156,913 | 72,236 | ...... | ...... |
| Boot & shoe prod. pr. (Dec. 36) | 1,539,942 | 1,565,936 | 21,888,531 | 21,712,686 |
| Crude petrol., imp. gal. (Jan.) | 54,639,651 | 61,131,349 | ...... | ...... |
| Cotton imports, lb. (Jan.) | 15,189,187 | 19,939,607 | ...... | ...... |
| Raw rubber imp., lb. (Jan.) | 3,556,423 | 3,938,272 | ...... | ...... |
| Coal imports, tons (Jan.) | ▲574,377 | 452,678 | ...... | ...... |
| Cigarette cons., (Dec.) No.† | 435,425 | 461,468 | 5,600,448 | 5,305,369 |
| **Finance—** | | | | |
| Bank debits (Dec.)† ..... $ | 3,404,592 $ | 2,932,304 $ | 35,928,607 $ | 31,546,066 |
| Bond sales (Jan., '37) ..... $ | 206,871,500 $ | 150,657,114 | ...... | ...... |
| Life insurance sales (Jan.) ... $ | 28,764,000 $ | 34,221,000 | ...... | ...... |
| **Automobile Financing (Jan.)—** | | | | |
| Used cars ..... $ | 1,421,014 $ | 1,016,336 | ...... | ...... |
| New cars ..... $ | 1,848,131 $ | 1,054,002 | ...... | ...... |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Dec. 31. ‡Deficit.

## Germany Concentrates On Synthetic Gasoline

Germany is continuing her efforts toward self-support in the matter of motor fuel. Activities are concentrated on fostering the synthetic manufacture of gasoline. If current activities of powerful coal interests in the Ruhr Valley are any indication, it is not unlikely that Germany may win its independence in the next year and a half.

It is known that practically the whole of the Ruhr mining industry is now interested in coal hydrogenation and although few details of what is now going forward have been made known, the importance of the new programme is apparent when the companies and capital involved are considered.

What the output of the new gasoline plants which are to be erected will be and their locations are evidently closely guarded secrets. However, it is estimated that the issued capital alone, including loans, of companies that are engaged in the manufacture of synthetic gasoline is around 70,000,000 reichsmarks (nominally $28 millions), while the projected capital, it has been announced, greatly exceeds 100,000,000 rischsmarks.

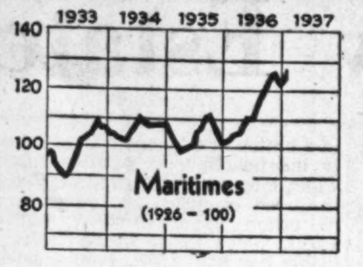
A Booklet on Price Brothers

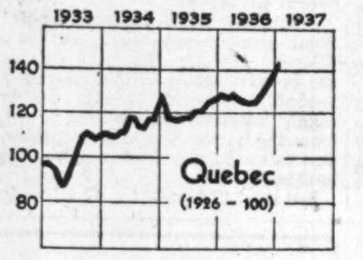
An illustrated booklet describing briefly the properties of Price Brothers & Company, Limited, is available.

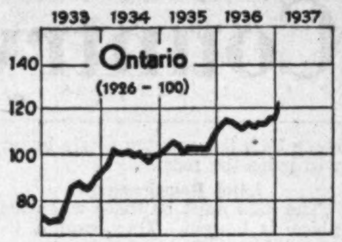
We shall be pleased to furnish copies on request.

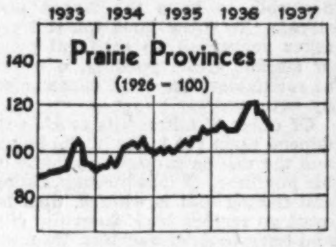
244 St. James Street
Montreal
Harbour 3121
330 Bay Street
Toronto
Adelaide 7105

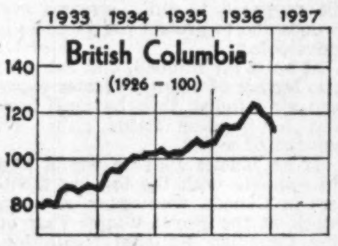
Royal Securities Corporation
Limited
Offices throughout Canada; also in New York and London











# Eastern Area Records Gain For Business

## Ontario and Quebec Hit New Highs—Maritimes Hold Own

### PRAIRIE REVERSES

The gains in business activity during January were limited to the eastern areas. The indices for Quebec and Ontario moved into new high territory on the present movement and the recession of the preceding month in the Maritime Provinces was more than counterbalanced. Conditions were not so favorable in the Prairie Provinces and British Columbia, the recent declining trend having been continued in the first month of the year.

Marked gains in the output of electric power were shown in the Maritimes and in Ontario, declines being shown in the other areas. A gain of nearly 1% was shown in the adjusted index of employment for Quebec, declines being general elsewhere. Industrial statistics were decidedly favorable in Quebec and steel and automobile production recorded advances in Ontario. The export trade passing through British Columbia showed marked gain and wheat prices were higher, affecting the results for the Prairie Provinces.

**Maritime Provinces**

The decline in the index of business activity in the Maritime Provinces during December was more than offset by the advance in the month under review. The result was that the index moved up from 124.0 to 127.5, a gain of 2.8%. The standing in January was higher than at any time since 1931. The strong points in the business picture of the Maritimes in the first month of the year were the increases in electric power and in bank debits. The winter port trade of Halifax and Saint John, N.B., also was a strong influence in raising the index.

**Quebec**

Marked gains have been recorded in the index of business activity in the last five months. The movement was carried further in January to a new high point since 1929. The spectacular gain of recent months has resulted in a high point not greatly below that reached in the peak of the last economic cycle. The index on the basis of 1926 was 143 against 140.4 in December, a gain of nearly 2%. Seven of the nine factors used in the compilation of the Quebec index showed gains in January.

**Ontario**

Considerable gains were shown in the index of Ontario for three consecutive months culminating in a high point of 122.1 in January. The gain over the preceding month was 3%, and a new high point was reached since March, 1930. A significant gain was shown in the output of electrical power in the month under review, the index showing a gain of nearly 3%. A decline was shown in the index of employment but supplementary reports indicate that manufacturing operations in Ontario are being well maintained.

The increase in the output of steel ingots was a feature of the month, the index moving up from 163.3 to 168.7. After seasonal adjustment, automobile production showed a gain in January.

**Prairie Provinces**

The advance in wheat prices and heavy marketing in August and September raised the index of the Prairie Provinces in the third quarter of 1936. A reaction of considerable proportion has since been in evidence, the index for January dropping to 111.1 against 113.4 in December. The index of electric power output at 261.4 showed a decline from December and a minor recession was shown in the index of employment. Sales of life insurance showed a gain of nearly 1%, the index moving up from 45.7 to 46.1.

Wheat receipts receded sharply in January, dropping from eight million bushels to 3,154,000. Wheat prices, however, averaged considerably higher, No. 1 Northern wheat having been $1.249 in January against $1.203 in December. The adjusted price index on the 1926 base was 84.0 against 83.2, a gain of about 1%.

**British Columbia**

Although the external trade through British Columbia ports was heavy in January, the index of business activity receded from 114.4 to 111.8. Most of the significant factors used in this connection recorded decline in January. The index consequently continued the downward trend observable since September. The marked gain which had been in progress since the end of 1932 culminated in September of last year. Conditions since that time have shown recession.

Imports through British Columbian ports were $4,642,000 against $4,556,000 in December.

The story of exports was similar. The total in January was $18,322,000 against $15,584,000 in December, the adjusted index showing a gain of nearly 17%.

## *Trend of Business*

**Trend of Business in 5 Economic Areas**

| | | Jan., 1937 | Jan., 1936 | Dec., 1936 | Incr. or Decr. Jan., 1937-1936 |
|---|---|---|---|---|---|
| **Maritimes:** | | | | | |
| Construction contracts | $ | 521,000 | 150,000 | 443,000 | +247.3 |
| Building permits | $ | 100,000 | 72,000 | 91,000 | + 38.9 |
| Life insurance sales | $ 000 | 1,918 | 1,970 | 2,559 | — 2.6 |
| Bank debits | $ 000,000 | 66.4 | 50.4 | 56.7 | + 31.7 |
| Electric power | k.w.h. 000 | 66,419 | 38,572 | 61,963 | + 72.2 |
| Employment | 1926 = 100 | 107.5 | 102.2 | 109.5 | + 5.1 |
| Tonnage of vessels, cleared | | 801,263 | 718,656 | 780,751 | + 11.5 |
| Imports | $ | 3,386,303 | 2,671,201 | 4,557,946 | + 26.8 |
| Exports | $ | 27,736,044 | 20,670,850 | 13,044,831 | + 34.2 |
| Index | | 127.5 | 104.2 | 124.0 | + 22.4 |
| **Quebec:** | | | | | |
| Construction contracts | $ | 2,255,000 | 4,660,000 | 2,131,000 | — 51.6 |
| Building permits | $ | 367,000 | 289,000 | 898,000 | + 27.0 |
| Life insurance sales | $ 000 | 7,751 | 8,869 | 10,549 | — 12.6 |
| Bank debits | $ 000,000 | 1,032 | 829 | 1,059 | + 24.5 |
| Electric power | k.w.h. 000 | 1,207,781 | 1,045,702 | 1,227,435 | + 15.5 |
| Employment | 1926 = 100 | 106.7 | 95.2 | 104.0 | + 12.1 |
| Imports of raw cotton | lb. | 15,189,187 | 19,939,607 | 20,842,725 | — 23.8 |
| Newsprint production | tons | 287,691 | 227,955 | 289,312 | + 26.2 |
| Index | | 143.0 | 128.5 | 140.4 | + 11.3 |
| **Ontario:** | | | | | |
| Construction contracts | $ | 2,847,000 | 5,741,000 | 2,338,000 | — 50.4 |
| Building permits | $ | 880,000 | 457,000 | 1,740,000 | + 92.6 |
| Life insurance sales | $ 000 | 13,161 | 16,746 | 15,319 | — 21.4 |
| Bank debits | $ 000,000 | 1,576 | 1,312 | 1,641 | + 20.1 |
| Electric power | k.w.h. 000 | 722,380 | 675,883 | 704,988 | + 6.9 |
| Employment | 1926 = 100 | 108.4 | 102.4 | 107.5 | + 5.9 |
| Live stock slaughterings | 1926 = 100 | 142.5 | 122.6 | 164.2 | + 16.2 |
| Steel production | tons | 115,237 | 100,225 | 103,952 | + 15.0 |
| Automobile production | No. | 19,583 | 13,302 | 20,411 | + 47.2 |
| Index | | 122.1 | 114.6 | 118.6 | + 6.5 |
| **Prairie Provinces:** | | | | | |
| Construction contracts | $ | 280,000 | 975,000 | 876,000 | — 71.3 |
| Building permits | $ | 105,000 | 48,000 | 189,000 | +118.8 |
| Life insurance sales | $ 000 | 3,594 | 4,012 | 4,993 | — 10.4 |
| Bank debits | $ 000,000 | 375 | 635 | 452 | — 40.9 |
| Electric power | k.w.h. 000 | 171,701 | 159,899 | 166,080 | + 7.4 |
| Employment | 1926 = 100 | 91.4 | 93.7 | 94.2 | — 2.5 |
| Wheat receipts | bushel | 3,154,000 | 3,203,000 | 8,000,000 | — 1.5 |
| Wheat prices | $ per bushel | 1.248 | .847 | 1.203 | + 47.3 |
| Index | | 111.1 | 113.0 | 113.4 | — 1.7 |
| **British Columbia:** | | | | | |
| Construction contracts | $ | 719,000 | 2,086,000 | 331,000 | — 65.5 |
| Building permits | $ | 232,000 | 437,000 | 365,000 | — 46.9 |
| Life insurance sales | $ 000 | 2,115 | 2,454 | 3,217 | — 13.8 |
| Bank debits | $ 000,000 | 177.8 | 165.3 | 195.7 | + 7.6 |
| Electric power | k.w.h. 000 | 109,357 | 132,058 | 122,918 | — 17.2 |
| Employment | 1926 = 100 | 91.3 | 94.1 | 95.4 | — 3.0 |
| Imports | $ | 4,641,661 | 3,426,118 | 4,556,413 | + 35.5 |
| Exports | $ | 18,321,986 | 11,717,670 | 15,583,577 | + 56.4 |
| Index | | 111.8 | 112.2 | 114.4 | — 0.4 |

**Background of Business**

# Business Communities Averse to "Free Ports"

## Duplication of Existing Facilities Foreseen — Motor Strikes Threaten in Canada — Movers Establish Tariff in Ontario

On the whole, Canadian trade and business associations appear to disapprove of the suggested establishment of free ports in Canada. Preliminary legislation is now before the Senate committee on banking and commerce. Aside from Victoria, whose Chamber of Commerce approves the establishment of such a free port there, practically all other trade bodies are lined up on the other side.

Among those objecting to the plan are the Canadian Manufacturers' Association, the Canadian Chamber of Commerce and the Boards of Trade of Montreal, Toronto and Vancouver.

It is claimed by the C.M.A. that the present bonding arrangements are satisfactory and the introduction of free ports would tend to duplicate existing facilities. Canadian conditions, it was said, were fundamentally different from those that prevail in several European countries where successful operationtion of free ports is reported. It was argued by the Vancouver Board of Trade that there was no public demand from organized business for legislation covering the establishment of free ports.

Toronto Board of Trade added that the present drawback arrangement and bonding facilities were sufficient. Montreal Board of Trade agreed with its sister bodies and argued that the Dominion Government would be called upon to spend considerable money on maintenance of the necessary customs protective barrier around each zone, even if port operating costs were assumed by the interested province or municipality.

• • •

### *More Motor Strikes?*

Settlement of the big General Motors strike in the Detroit area a fortnight ago, does not, apparently, end troubles of this kind for motor manufacturing companies on this continent. J. J. Kennedy, Detroit, member of the International United Automobile Workers of America, in addressing a mass meeting of motor car workers in Windsor, the other day, predicted that if future labor negotiation at Windsor and Oshawa were unsuccessful, plants in both countries would again be tied up. Every auto plant in Detroit, he stated, would be closed in sympathy with Canadian workers if the latter went on strike.

• • •

### *What Price Moving?*

With the peak of moving less than two months away, controversy is still raging among Ontario household carriers in regard to a uniform tariff. The Ontario Movers Association have published such a tariff with the hope that it will prove the basis for rates charged by all movers. The biggest drawback to the operation of this tariff, it is agreed, is the creeping in of errors, some of which may be honest and others the work of "chiselers."

Any estimates of moving costs of goods, it is stated, should be featured as estimates only to the prospective customer, who should expect to bear the actual cost of the move.

The present tariff provides for a measurement on a cubic foot basis. Each article of furniture is measured at an arbitrary number of cubic feet and a total estimate is reached by listing each piece of furniture to be moved. The mileage from point to point is taken from the Ontario Motor League Guide and on reference to the published tariff, quickly given the estimated cost of the move.

Movers are reported to be getting together, and ready to co-operate with the Provincial Government in regulation of transportation over the highways of the province. A great many of them favor a tariff based upon weight and enforced by law.

• • •

### *General Motors Busy*

General Motors of Canada closed February with shipments very much higher than those for the corresponding month a year ago. It is reported that schedules at the Oshawa factory have been considerably advanced and as necessary United States material had been brought in to the limit of storage facilities, previous to the Detroit strike.

The situation in regard to deliveries is reported as very good, and demand showing a greater percentage increase over the previous year in Canada than in United States.

Shipments of new passenger models of Chevrolet for February are reported as up 25% over Feb., 1936; Oldsmobile Six up 31%; Pontiac up 125% and G.M.C. trucks up 500%.

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These Homes Depend on Each Other

TAKE a row of homes in any street — your own, for instance. You chat across the hedge about roses or tomatoes, but it probably doesn't occur to you that each of your neighbors helps to pay your rent or taxes, and to buy the food, furniture, clothing and other things that make life worth living.

The man next door may work in an automobile plant. On the other side of you live men employed in paint and rubber factories. Across the street are a baker, a railwayman, the foreman of a textile mill, a steel plant superintendent, a shoe salesman and a theatre employee.

What affects one, affects all. Should the automobile plant shut down or curtail production, the steel, rubber, paint, glass, textile and numerous other industries will suffer, too. The railways will have less freight to haul. Stores, restaurants, theatres will feel the pinch. There will be less money in circulation.

We Again Remind You
. . . that the automotive industry not only in itself is an important unit in the business life of Canada, but that the manufacturing of cars and trucks entails the purchase of finished and raw materials from many other industries. Anything that would retard orders from automobile manufacturers would seriously affect many other important company payrolls.

A thriving automotive industry is therefore vital to the welfare of all. The security of any one man's job depends not only on the industry of which he is a part, but on the prosperity of industry as a whole.

AUTOMOTIVE INDUSTRIES OF CANADA

For statistical and further information about this industry, write to Automotive Industries, 1006 Lumsden Building, Toronto.

# Spring Is the Time to Buy Country Estate

## *All-Year Accessibility Major Point in Choice—Scenery Also a Factor*

### Entirely New Problems in Architecture, Construction and Landscaping Face Owner of Country Acres

**By GORDON L. SMITH**

Early spring is the natural season of the year to select a country estate. This is the time the hard headed practical agriculturist makes the final purchasing decision and the average city man who plans a place in the country would be well advised to follow his example. Of course it is advisable to have some advance knowledge of the location, to have seen it in the depths of winter as well as during the period of luxuriant growth in summer.

**Must See It At Worst**

But an early spring visitation is invaluable. Then the country is probably at its worst and the buyer can rest assured that if the site appeals to him on a bleak day in March the same place will be trebly appealing when snow and mud have been replaced by hard dry roads and trees and fields are clothed in green.

Any area of hills, winding streams and trees possesses attraction during the summer months and early fall. Again when buried deep in new snow, to most Canadians the scene will be inviting. But country estates are usually year-round affairs. One may want to spend all season on the new homestead and to be satisfactory it should be accessible and inviting in March as well as July.

**Accessibility is Vital**

This accessibility is a vital point. Living in the city one is apt to take for granted, sidewalks, paved streets, water, gas, electricity and telephone. Services of doctors, plumbers and retailers are almost instantly available.

Schools, churches and theatres are usually within easy walking distance. When we move to the country however, we encounter conditions vastly different. If we do not choose our location carefully we may easily find ourselves cut off for days and certainly for hours from goods and services formerly at our very door. Good roads, therefore are of prime importance.

**But Privacy Possible**

True one does not want to develop an estate along some thickly congested highway. One does not move to the country to get closer to din and traffic but for exactly the opposite reason. But a location close to a hard-surfaced road or provincial highway is very desirable.

It is not a difficult or expensive matter to keep a comparatively short piece of side road or private drive connecting with a highway in year-round condition, and with land plentiful and relatively cheap it is practical to set the residence well back from the fence line and have the intervening space planted with trees, hedges or shrubbery. Of course a screen of natural woods does not develop in a single season or a dozen of them, hence, it is desirable to select a place where the trees are already there.

**Half Hour From Town**

A generation or two ago, it would have been utterly impossible for most city men to move to the country and to continue to direct their urban operations. The automobile and hard-surface roads, however, have changed all that. Ten to 30 miles from the centre of the most thickly populated city in Canada there is unspoiled country and with modern transportation; this means well under an hour's drive. In most cases it is possible to purchase this open land for not more than $250 an acre, and an acre, it may be explained for the benefit of those that left school long ago, measures well over 200 feet each way. It is equal to 10 moderate-sized city lots.

Good all year round road connections, while of major importance, are not the only consideration in measuring the accessibility of any country estate. Convenience of school and churches must be considered as well as shopping facilities. It is very desirable to have electric power within easy range and, of course, telephone.

**Water and Other Services**

If arrangements can be made to tap municipal water mains, money will be saved, though the provision of a self-contained water service is by no means impossible. Provided a generous flowing water well can be dug, bored or tapped, installation of the necessary pumping and storage units are quite practical. It should be remembered, however, that water consumption on the country estate, or any rural property inhabited by a former city family, is going to be very much larger than the amount to which an average farm family is accustomed. Existing wells on ordinary farm property, therefore, may have to be considerably enlarged when the new owner moves in.

For the benefit too, of people uninitiated into country life, it should be explained that in addition to providing water for household requirements, if any livestock is to be kept, ample provision will also have to be made.

If the location desired, too, is remote from electric power lines, this difficulty can also be surmounted. There are small electric plants on the market today, that will generate light and power to meet the requirements of any sized estate. These are self-contained and can be operated by gasoline, natural gas or local water power.

**Buy For Scenery**

Accessibility has been stressed at length because it is the one essential usually beyond the capacity of the individual to remedy. Nearly every other desirable feature can either be developed or may be easily located. Scenery, of course, is important. The type desired will vary with the particular purchaser or searcher.

While the opinion of the practical farmer can be taken in regard to values, quality of land, slopes, water and other conditions that go to make up a successful farming venture, his valuation regarding scenery is another matter. The man who is going to make his living out of the soil cannot afford to lean too far toward the intangible. After all he must have good land, easily worked, well watered and fairly close to market. The buyer of the country estate on the other hand is usually looking for a home with farming operations only an incidental. He prefers hills to level bottom land, woods to open fields. What the average farmer considers the most worthless of his property, that containing woods, winding streams and steep hills the country estate buyer will prize the most.

**Land Requirements**

The hills must be there when the place is bought. They cannot be added later. It is also immensely desirable to have the woods and stream. To grow good forest trees takes years and an artificial pond or stream, while possible, is never as satisfactory as when constructed by nature.

Of other requirements much will depend upon the tastes of the buyer and the use he proposes to make of his purchase. If it is hunting, riding and fishing that is wanted, then he must go farther back from the city and have roomier quarters. He must be prepared to stock streams and woods and to protect the game he is developing.

If he is air minded, and many of the buyers of country estates today are air minded, then he must look out for landing fields either on ground or water.

If he fancies that he would like to compete with the top hat farmers in Canada who enter pedigree stock at the Royal Winter Fair or the Canadian National Exhibition, then he must have a place suitable to the type of livestock he proposes to raise. Cattle, horses and sheep will require considerable range and there must be provision for growing hay and grain. For the latter good land is essential and preferably fairly heavy soil. Fruit growing, another interesting hobby of country estate owners, requires a special type of land, usually fairly open or light, well drained and located in a moderate climate.

**Equipment Problems**

Vastly new equipment and construction problems face the owner of raw country real estate. In addition to the construction of a modernly equipped residence far removed from urban gas, electric fire and water services, there is the question of handling land and the erection and equipping of barn and stabling.

While some people simply transfer a city house to the country and add a stable and barn, the result can hardly be termed a real country estate. The upright type of city home is designed to get the most livable space out of a very restricted frontage. Flanked by other narrow dwellings it does not look out of place on the ordinary street.

But when the same structure is built in the country it does not appear to be part of the landscape at all. Lower and more rambling types of houses are in order, buildings with plenty of wings, broad sloping roofs and with generous use of flanking conservatories. Well designed and constructed, planted about carefully with shrubbery, vines and trees, such blend with the surroundings.

**Fireproofing**

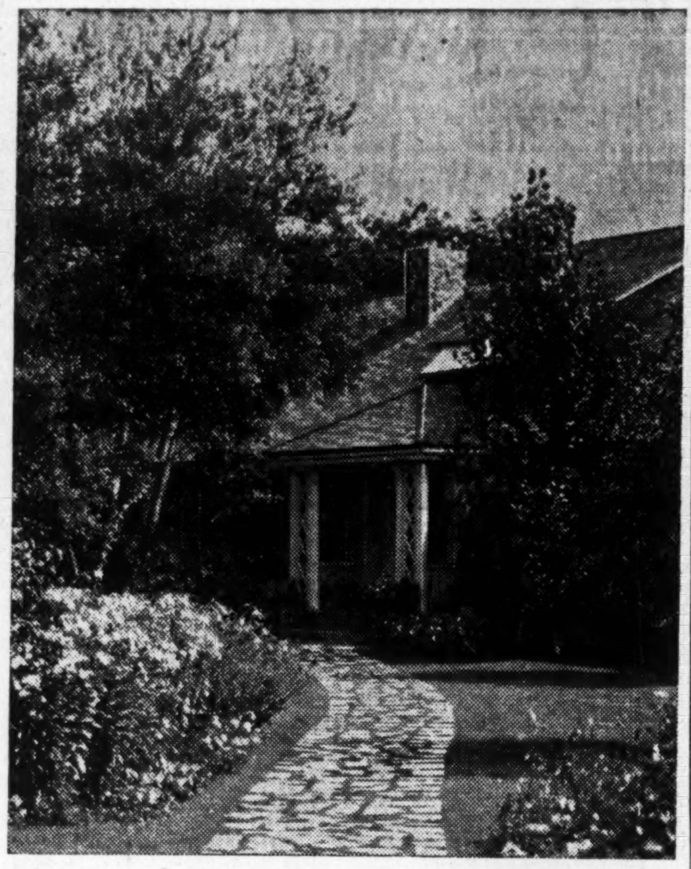
The greatest attention, of course, must be paid to fireproofing materials in all buildings, whether house, barn or garage. With no municipal fire fighting apparatus at the push of a button or a 'phone call, as nearly indestructible as possible roofs, walls, interior fittings, and perfectly insulated electrical equipment are of prime importance. With the barns, which house highly inflammable hay and straw, even greater care is advocated.

Insulation is an important point. Some wind swept hilltop makes a splendid site for the residence on the country estate. Here scenery is probably best, but it will also be highly exposed to chilling blasts from the north. There is no protection as in the city from neighboring houses.

But careful insulation of all walls and roofs when the structure is being built, and selection of a site where there is partial protection from bush or orchard on the west and north will permit enjoyment of the view and indoor winter comfort as well. In mountainous or hilly districts it is possible to secure some shelter from the natural topography and at the same time have an unrestricted sweep on several sides.

Dim boyhood recollections of hay mows and low dark stables may as well be discarded when it comes to the blooded stock. They are not housed in cobwebbed stables nowadays. Stables must be moderately warm, bright, airy, capable of being well lighted, and above all, clean. Water must be available. In special floors, steel stanchions or stalls, individual drinking bowls, mechanical milkers, coolers, separators, choppers, feed and litter carriers there has been fully as great an advance in recent years as there has been in kitchen modernization.

After all the average stable, especially that part that pertains to cattle, both dairy and beef cattle and poultry, hogs, and sheep is a factory where meats, eggs and milk are manufactured. Like any other efficient factory, therefore, it will be clean, light, long rather than wide like the assembly line type and equipped with most modern labor saving devices.



**RAMBLING IS ALLOWED**

Getting away from excessive frontage taxes the country estate owner can build a home that really fits into natural surroundings and appears to be part of the landscape, not sticking up out of it. Low, rambling houses with wings and flanking conservatories feature the pretentious residence above. Below is a glorified spreading ranch house tied to its foundations with abundant shrubbery, flagstone walks and flower gardens.

**PERPETUAL SUMMER**

The addition of a conservatory to the country house makes perpetual summer possible in what amounts to practically an outdoors living room. Here exotic plants bloom regardless of the weather and in benches or shelves concealed from indoors or in adjacent greenhouses winter salad material can be grown or plants given an early start before placing outside in the garden.

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### Elevator Officials Meet

FORT WILLIAM, Ont.—The annual meeting of the Society of Grain Elevator Superintendents of North America will be held in Fort William, June 7, 8 and 9, according to Ald. S. S. Orstad, Second Vice-President of the Society and General Manager of the Federal Grain Company, Fort William. More than 200 delegates are expected.

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## *Welland Financial Wind-up Ends 8-Year Fight for Life*

Shareholders of Welland Financial Corp., which owns most of the stock of Fidelity Trusts Co. of Ontario, have approved a plan by which three shares of Fidelity Trusts stock will be given in exchange for one share of Welland Financial Corp. and the latter company will then be wound up.

Behind the move is a story of financial difficulty encountered by Welland Financial Corp. arising out of the crash of '29. President of the company, F. H. Leslie, in presenting the plan to shareholders, explained that losses of the financial corporation did not affect the trusts company, the two being separate organizations.

But he recalled that the last meeting of Welland Financial shareholders was held in August, 1929, when "the company, on paper at least, was in a strong financial position." It was also in a highly vulnerable position, however, because of a bank loan of nearly $200,000 secured by stocks which, considered excellent investments at the time, fell in value with the rest of the market a few months later.

The company withstood the first crash, but gradually its holdings depreciated until, to quote Mr. Leslie, "the bank put on pressure," and directors found it necessary to lend $30,000 to the company to save it from insolvency.

Since that time there has been gradual improvement in the company's affairs until it was possible to arrange the present plan for converting stock into Fidelity shares and wind up the Welland company.

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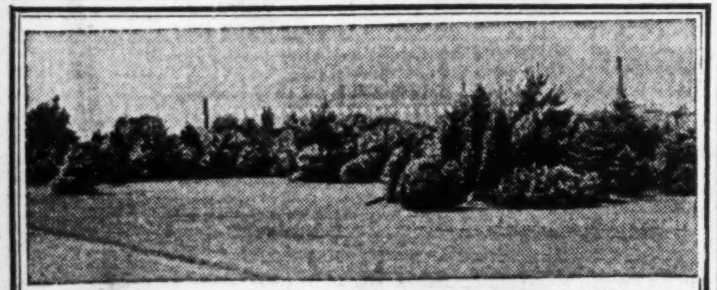
### Bureau Issues Statistics On Retailers' Margin

During the big General Motors "Sit-Down" strike near Detroit several little affairs of a similar nature broke out elsewhere in United States plants. These, apparently, were purely voluntary developments inspired and directed locally. They were not approved by the big union organization, which had its hands completely filled in the main battle area.

Some 31 employees which decided on a separate strike of their own in the Goodrich Rubber plant at Akron, Ohio, were promptly given "sit-down" passes by the management and told to go home and take a shower and get a night's sleep.

As this small group was working on the vital production line, however, their withdrawal brought the whole plant to a standstill. There was no work for anybody but as the management made no effort to close the plant, the rest of the employees drifted homeward. They soon brought pressure to bear on the handful of strikers. This was reinforced by advice from the management the next day. It was again reinforced by similar telephone advice from leaders in the strike area at Flint who reported that things were not going too well in that area.



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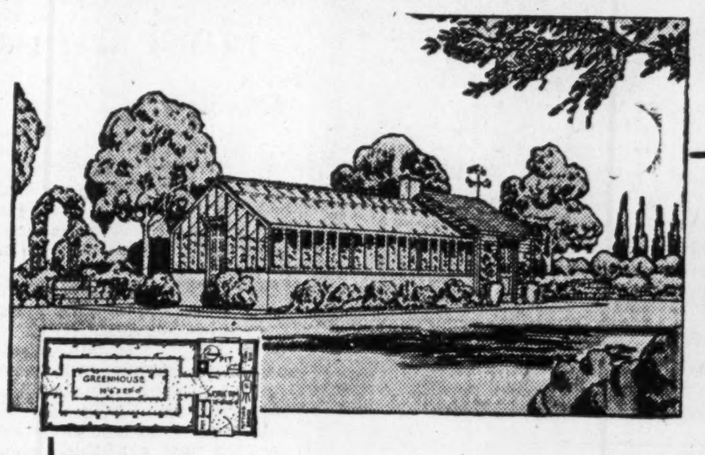

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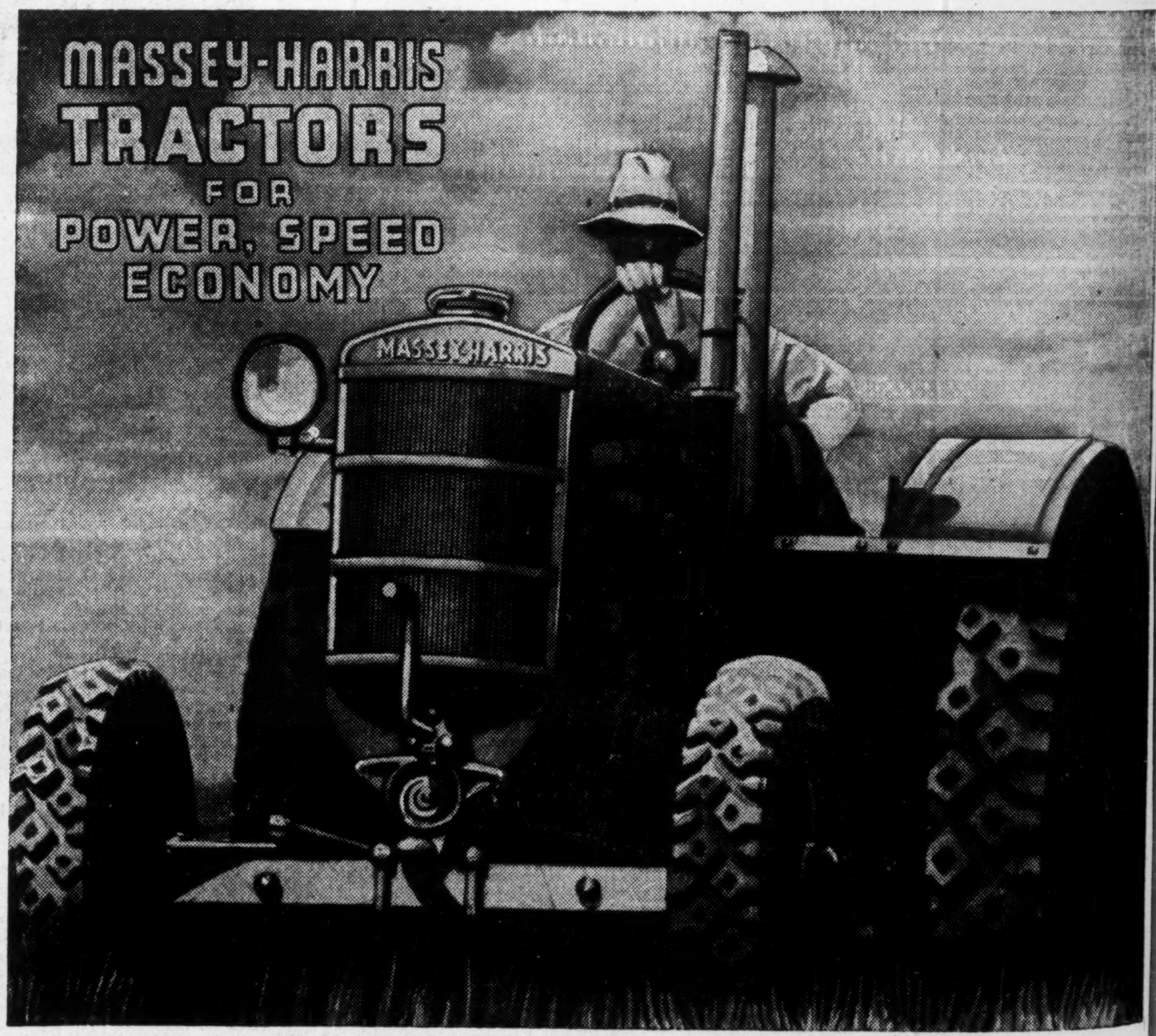

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## Great Lakes A Preferred

Please give me your views on Great Lakes Paper class A preferred around 35.

Great Lakes Paper class A preferred shares carry a cumulative dividend of $2 annually, from Oct. 1, 1935. There is no immediate prospect of a payment and it may be over a year before the subject of dividends will be considered seriously by directors. Even under present prices for newsprint, the company appears capable of earning the dividend, so the shares have some attractions for a person who does not require income, or of the type who wishes to avoid income tax. Eventually shares may participate in extra dividends, depending, of course, upon favorable earnings in the future.

## Imperial Tobacco

I am a small investor and considering the purchase of Imperial Tobacco Co. of Canada stock. Which would you recommend—preferred or common stock—having in mind income and capital gain?

There is no prospect of an increase in the fixed dividend of 30 cents a share on Imperial Tobacco preferred, which yields about 4% at the present price. Dividends on the common have totalled 52½ cents a share annually, and this includes extras which are paid in accordance with earnings results.

Both classes are comparatively stable securities. However, the price of the preferred is liable to fluctuate in accordance with the gilt-edged bond market, reflecting the level of interest rates. The common is partly subject to this influence but is also valued on the basis that dividends can possibly be increased. Neither class of stock is liable to fluctuate widely, but the possibilities of price changes seem somewhat better in the common.

## Beauharnois

Will you please let me know what are the prospects for the common shares of Beauharnois Power?

Beauharnois Power common shares are a long way from earnings. Unless the company can obtain a new contract with the Ontario Hydro, or unless it is able to export power to the United States, there is no immediate market for the large surplus of power available from the company's plant. This holding is distinctly a gamble on what happens in regard to sale of power. The company's 5% bonds, on which interest becomes payable next year, are selling around 60, indicating grave doubts about whether it can be paid. Consequently, the common shares have advanced without much definite prospect of earnings.

## Nat. Sewer Pipe A

Will you please give me a short résumé of the position of National Sewer Pipe class A stock?

National Sewer Pipe has shown no earnings on the class A stock since the year ended Oct. 31, 1932, when they amounted to $2.54 a share. The shares carry cumulative dividends of $2.40 annually, and arrears will soon total $7.80 a share.

There are no securities senior to the class A stock, and the net book value of assets is $71.39 a share. Thus, the assets securing the shares are sizable even through there are no earnings. The company's net working capital, alone, is equivalent to more than $30 a share for the class A stock.

As to earnings, Ryland H. New, president, in presenting last year's report, stated that it is quite apparent that sales of the company's products will not reach a profitable volume until municipalities in Ontario undertake new sewerage systems or extensions to present installations, and until house building activity is improved over the level of the past few years. At present, there is little indication of early earnings which would allow resumption of dividends on the class A stock. However, pronounced revival in the building industry may eventually allow payments because the company's capital is of moderate size.

## Hinde & Dauch

Please give me your comments on Hinde & Dauch Paper Co. of Canada common shares.

Hinde & Dauch Paper Co. of Canada has shown earnings substantially above the $1 dividend rate and appears at present to be a fairly stable equity security. On the $1 dividend basis the shares yield about 5%. However, the company supplies consumption goods, and therefore appears to have realized a major part of its economic recovery.

## Agnew-Surpass

Please give me a report on Agnew-Surpass Shoe Stores common shares. Are dividends paid regularly?

Agnew-Surpass Shoe Stores manufactures and distributes shoes through a chain of nearly 70 retail stores in Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island. The main plant is at Quebec City. The company failed to earn its preferred dividend in full in the year ended May 31, 1933, but otherwise has covered the payment every year in the depression and was never in arrears on the preferred. As to common dividends, the present rate is 40 cents a share, payable 20 cents in March and 20 cents in September each year. In the last two years, extra dividends of 20 cents a share have been paid in September. The extras, of course, depend upon earnings, which were 63 cents a share in the year ended May 31, 1936, and 66 cents a share in the preceding year. It is hard to tell whether the rising cost of hides has had an adverse effect upon earnings in the current year. That there are still possibilities for expansion of earnings is indicated by a reduction of the preferred shares from 10,000 to 9,362 over the past seven years, and from the fact that earnings on the common amounted to $1.43 a share in 1929-1930.

## Brewers & Distillers

What do you think of Brewers and Distillers of Vancouver? I have some shares that cost me $36 each on the basis of the present capital and wonder whether I am likely to recover my money in these shares.

Brewers and Distillers of Vancouver earned six cents a share on the old no par value stock in 1935, which would be the equivalent of 60 cents a share on the new stock. This result was the best since 1930 when 15 cents a share ($1.50 on the new stock) was earned.

The prospect is not any too hopeful for recovery of your capital. The company intends to withdraw from the American market and concentrate on the Canadian market. This appears to indicate that earning possibilities are limited, but does not alter the fact that dividends on the former shares were equivalent to $1.50 a share annually on the latest capitalization.

## Hamilton Bridge

What are your views of Hamilton Bridge common stock?

Hamilton Bridge Co. had substantially improved results in 1936, showing the first profit since 1931. Also the company has a good volume of business ahead for 1937. However, arrears of dividends now amount to nearly $30 a share on the 21,875 preferred shares. Regular dividend charges of over $140,000 annually must be paid on the preferred, in addition to settling the arrears in some way, before there is any possibility of dividends for the common. The shares represent an equity in an industry that suffers from feast and famines, and appear to be valued on expectations that one of the feast periods is about due.

## Canadian Hydro

Would you please be good enough to let us have a brief report on the prospects of Canadian Hydro Electric Corp. resuming dividends on its first preferred stock?

Interim reports indicate that earnings of Canadian Hydro Electric for 1936 were sufficient to cover the dividend on the first preferred stock. Furthermore increased deliveries to Ontario Hydro during the latter part of the year should add to income for 1937 increasing the revenues, available for Canadian Hydro. Prospects for the first preferred stock are definitely better and while there is no official intimation of a resumption of dividends, it is possible that this will take place sooner or later to halt the accumulation of arrears which now exceed $6 a share.

## Winnipeg Electric

We hold some of the contingent certificates of Winnipeg Electric and would like to have your views as to the outlook for the securities.

While there is no income from the contingent certificates of Winnipeg Electric their redemption would appear likely before many years have passed. As you are probably aware, the company cannot pay any dividends on the preferred or common stock until these certificates have been retired. At the present time there is a market of 59 to 62% of the par value of the certificates. As the debt of the company has been written down prospects appear favorable that with a return to normal conditions, the company will take steps to redeem the certificates at face value.

## Ottawa Traction

Will you please give me some idea of the capital set-up of Ottawa Traction Co.? Also can you tell me why the stock is selling so low?

Ottawa Traction Co.'s balance sheet for 1936 shows a funded debt of $2.3 millions and capital stock of 56,076 shares carried on the books at $5.6 millions. In addition there are current liabilities of $98,215. The assets of the company represent an investment in the Ottawa Electric Railway Co., wholly owned subsidiary.

It is difficult to say exactly why the common stock is selling at such a low point, as there are many factors influencing value. In the first place the company's dividend record in late years has not been altogether favorable. Then again the stock is closely held and there is a lack of market interest in it. At present the company is paying a dividend of $2 a share and as there do not appear to be prospects of an increase in this rate in the near future, the stock has little speculative activity.

## Massey-Harris

What are the prospects for Massey-Harris common shares?

Massey-Harris common stock is a long way from paying dividends. Arrears amount to more than $30 a share on the preferred. However, the company's financial position and outlook have improved due to virtual elimination of losses, and if some plan is adopted for eliminating preferred arrears and redeeming $2 millions of bonds under the sinking fund adjustment, the outlook for the common would be clearer. Given good crop yields at present prices, particularly in western Canada, the company would be in a position to recover substantial profits. Earnings must first be applied to senior securities, but the potentialities of agricultural recovery are encouraging.

## Quebec Telephone

Can you give me some information on Quebec Telephone and Power Co., especially as regards the trend of earnings?

Quebec Telephone and Power Co. serves the Lower St. Lawrence River below Quebec City. The last two annual reports indicate that the business is slowly recovering its former earning power which reached a low point in 1933. Operating profits received in 1935 fiscal year, the last available, amounted to $138,610 compared with $131,661 in 1934. Due to heavy charges, this improvement was not reflected in the net profit available for distribution on the capital stock which amounted to $953 as against $992 in 1934. You do not mention whether or not you are interested in the company's first mortgage and collateral trust bonds or the capital stock. No dividends have been paid since 1931 and with the present rate of earnings there is little prospect of an early return to such payment.

## Cockshutt Plow

Please give me a summary of the position of Cockshutt Plow common.

Cockshutt Plow Co. has just issued its report for 1936, showing a small profit. The president, Hon. Henry Cockshutt, says the question of further recovery in agriculture is now largely one of production, and if good crops are harvested at present prices for grain and other agricultural products, the company could show substantial earnings on shares. There are no securities senior to the common stock.

## B. C. Pulp

Will you please let me have some information on British Columbia Pulp and Paper Co.? Is the company doing better and is there any hope of the interest being paid on the 7% general mortgage bonds? Any market for the bonds and at what price?

British Columbia Pulp and Paper Company's financial statement for 1936 will show an improvement in earnings over 1935, which was a disappointing year.

During the last half of 1936 there was an improvement in the market for the company's products; in fact, the improvement was such as to warrant the company carrying out an expansion programme at the Woodfibre plant for the manufacture of bleached pulp. If the company is in a position to pay, interest will be resumed on May 1 next, in accordance with plan of deferred interest charges approved by the bondholders. There would seem to be a good possibility of this, judged by the bid price of 83 on the 7% general mortgage bonds.

## Ford of Canada

What is the 1937 outlook for Ford of Canada?

Ford Motor Co. of Canada is doing very well, and has been operating at capacity. The 1936 report will show a substantial gain in earnings, and 1937 operations are promising. The dividend of $1 a share is being covered by a comfortable margin, but an increase in dividend does not seem probable for some time.

## M. & O. Paper Bonds

Please give me a brief summary of the position of Minnesota & Ontario Paper bonds.

Minnesota & Ontario Paper Co. is in receivership and has only been able to earn a fraction of its bond interest, which, of course, is not being paid. Plans are now afoot to sell a new issue of prior lien bonds, to take the company out of receivership, but whether this will develop soon is uncertain. Meanwhile, there is no prospect of interest payments unless the price of paper rises further. This may develop within the next year or two. There is an active bondholders' committee working for the protection of holders, in connection with reorganization discussions.

## American Cyanamid

I am holding class B shares of American Cyanamid Co., and in view of labor unrest in the United States I would like your information on this company and your comments on the advisability of selling such stocks.

American Cyanamid Co. paid dividends of $1 a share on both A and B shares from 1936 earnings, and this dividend was covered by a margin of 11% in the first nine months, so the full year's results will show it earned by a comfortable margin.

The company and its subsidiaries produce or distribute more than 1,200 chemical products used mainly in mining, heavy industry and agriculture. Earnings have been increasing steadily for four or five years, reflecting improved business conditions in the diversified fields served. The company has a powerful working capital position, and can therefore continue to be generous with dividends, in accordance with earnings. The price of the shares above 30 reflects investment opinion that the outlook is promising.

The current series of strikes in American industry reflects improved business conditions and the scramble of labor for its share in the general improvement. Naturally, strikes are expensive, but when they reflect improving business conditions, they are not necessarily a satisfactory reason for selling stocks.

## Canada Northern

I would like a brief comment on the prospects of Canada Northern Power.

Canada Northern Power has recorded an expansion in operations and earnings. The company, as you know, is active in the Ontario northern and northwestern Quebec mining fields, which have proved very productive fields for power sales. Reports on earnings show a steady increase in revenue and it is anticipated that the report for 1936 will show the common dividend earned by a comfortable margin.

## Walker-G. & W.

Kindly advise if Walker-G. & W. common are likely to pay an extra dividend shortly. Is there a probability of the shares advancing in price?

Hiram Walker-G. & W. common shares have had very large earnings, and in view of the favorable settlement of the insurance claim for the destroyed rack warehouse at Peoria, some stock dealers suggest that an extra dividend will be paid. However, there has been no official indication of such a payment.

The shares have already advanced materially, reflecting the $2 dividend, and might be expected to strengthen if substantial additional dividends were paid. The shares sell at a low ratio to earnings, in comparison with prices of many other common shares. One reason for this is the irregularities of the liquor business, and the sudden fluctuations of earnings in recent years. This, of course, is partly due to important changes in liquor laws in both Canada and the United States. The company has done exceedingly well with its American venture, but already there are intermittent signs of keen competition in the United States which may interfere with further marked expansion of earnings.

## Brazilian Traction

I would appreciate your comments on Brazilian Traction common stock?

Brazilian Traction will show earnings of close to $1 a share for 1936, and is believed likely to pay dividends of $1 a share for 1937. This investment is to some extent a gamble on the economic prosperity of a foreign country, but the company is now able to transfer money to pay cash dividends. Under these circumstances, the investment standing of the shares has improved, and the rise in price reflects, in part at least, the more hopeful position of the shares.

## Bathurst

Will you be kind enough to let me have a report on Bathurst Power and Paper Co.? Are there any prospects of a dividend?

Bathurst Power and Paper Co. has been reporting improvement. Mill operations are understood to be at capacity and plans of the company for increased plant efficiency and expansion of facilities should add further to earning power. While the report for 1936 is not yet available, it is understood that earnings were higher than in 1935. Furthermore the outlook for this year is encouraging and there is a possibility that before long the company will consider making a small dividend distribution to the class A shareholders.

## Dominion Stores

What are the prospects for Dominion Stores Ltd.?

Dominion Stores showed a loss of $65,000 for 1936, despite an increase of 8.7% in sales. This is the reason that the stock remains sluggish around $11 a share. The company, however, has a large working capital, approximately $2 millions, and could, therefore, pay dividends provided earnings were realized. One of the important problems is that in Montreal the company has faced severe competition, and in other parts of Quebec there are proposals to levy discriminatory taxation against chain stores. The chain store business appears to have reached the peak of its expansion, and the problem of Dominion Stores is largely one of recovering former earnings, rather than building a greater chain. The investment has possibilities, especially if earnings are redeemed, but they can hardly be regarded as sensational.

## G. Tamblyn Ltd.

Kindly give me a report on G. Tamblyn Ltd. common stock. What is the rate of dividend at present?

G. Tamblyn Ltd., is paying a dividend at the rate of 80 cents a share on the common stock at present. The company's record has been one of continued success. Earnings for 1936 are expected to be around $1 a share on the common stock.

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# Trust and Loan Companies Extend Activities

## Estates Business Expands Trust Company Services

### Earnings and Dividends Increase — Mortgage Firms' Operations Retarded by General Situation But Outlook for 1937 Is Believed Better

Extension of business in administration of estates, trusts and agencies is bringing higher earnings to nearly all important Canadian trust companies. Mortgage companies, although in a better position than during 1935 and 1936 continue to experience conditions which in some areas tend to retard rather than expand their volume of business.

The time is not yet in sight when trust and loan companies will occupy two distinctly separate fields of activity, but in the light of current conditions affecting both types of business, eventual separation of the two types of business is becoming more of a possibility.

Few trust companies, for example, failed to report increased earnings in 1936 from types of business which is basically of a trust type of service, but western drought, debt legislation and new problems arising in the lending field created a different situation among lending and mortgage concerns, and earnings of these companies do not reflect the almost uniform improvement noted in trust companies' incomes.

**Trust Business Expands**

Originally acting as trustees, executors or estate administrators, Canadian trust companies have expanded their operations in the last 50 years to an amazing degree and with improving business conditions the outlook is for further growth in trust company services. The reason is a general recognition of the experience, integrity and business judgment used in the management of Canadian trust services and the generally satisfactory manner in which most Canadian trust companies have weathered more than one business depression. Over the long term the record has won public confidence and attracted an increasing demand for trust company services as well as investment demand for their shares.

The result is that most Canadian trust companies are not only fulfilling their original purposes but in 1937 are also found acting as guardians, custodians, receivers, transfer agents, registrars, bondholders' trustees, rental, sales and stock transfer agents, legal depositaries for municipal sinking funds, savings depositaries and collectors for estates and individuals. The tremendous growth in trust company services has not, however, changed their basic purpose of acting as trustees, and a survey of the field shows that 1936 brought no more striking development than that of the rise in volume of estates, trusts and agencies business.

Companies which failed to experience gains in these branches of administrative trust service are the exceptions. In large measure, the growth of estates, trusts and agencies business contributed to higher earnings reported by trust companies, augmented by revenues from other services, a fact that is significant and reveals that the real growth of trust company operations is continuing in the basic field which trust companies were designed to serve.

**Gains in Estates Business**

A comparison of the expansion in estates accounts of representative trust companies between 1935 and 1936 reveals the trend clearly and also that widening public recognition of trust company administrative service is not confined to any particular area of Canada.

**Estates, Trusts and Agencies Accounts**

| | 1936 $ Millions | 1935 $ Millions |
|---|---|---|
| Montreal Trust | 823 | 811 |
| Chartered Trust | 20.7 | 19.9 |
| Capital Trust | 8.7 | 9.8 |
| Crown Trust | 28.6 | 25.5 |
| Waterloo Trust | 4.8 | 4.7 |
| Premier Trust | 11.5 | 11.2 |
| Canada Trust | 23 | 22 |
| Toronto Gen. Trust | 215.3 | 209 |
| Royal Trust | 762.5 | 748.8 |
| National Trust | 249.5 | 244.2 |
| General Trust | 46.5 | 42 |
| Canada Perm. Trust | 68.4 | 68.9 |
| Western Trust | 2.6 | 2.3 |
| London and Western | 37.4 | 36.5 |
| Guelph and Ontario | 5 | 5 |
| Guelph Trust | 3.7 | 2.5 |
| Sterling Trust | 10 | 10.6 |
| Maritime Trust | 3.9 | 2.6 |

**Maritimes Show Gains**

In business other than administration of estates, trusts and agencies the Canadian trust companies in 1936 were faced with widely varying conditions in various parts of Canada. In this connection there is significance in the fact that Maritime trust companies, operating in an area where monetary and business conditions are traditionally more stable than in some other sections, have been able to make substantial progress in the last few years, while the problems of companies operating in western Canada are still of a complex nature. Government legislation in the Maritime Provinces has assisted co-operative policies between trust companies and municipalities with the result that in the care of sinking fund deposits and other public funds trust companies are materially assisting in maintaining the sound position of many Maritime municipalities.

**No Moratorium**

Important, too, as an indication of the place occupied by trust and loan companies in the economic structure of the Maritimes is the fact that they are operating in an area where no mortgage moratorium legislation has been found necessary. The scope of company operations is not as large as in other sections of the Dominion, but greater stability in economic conditions has produced a situation from which trust, mortgage and public have benefitted alike.

Although mortgage interest payments are steadily improving throughout Canada, according to trust and loan executives, demand for mortgage money has not been on a particularly large scale as a result of restrained building activity. This phase of the situation is improving, however, and with a definite indication of acceleration in interest payments and signs of a revival in home and industrial building, the outlook for 1937 is distinctly better. Rising rental costs are seen as one reason for more tenants becoming purchasers, and concerted efforts to bring about large-scale, low-cost home building in Canada are also expected to bear fruit in a higher volume of mortgage business.

Interwoven as are the interests of trust and loan companies, the latter enjoy one advantage which may point the way toward development of trust and loan operations on parallel but separated lines, to a greater extent than exists at present.

**Trust Companies Restricted**

Under existing conditions there is competition between trust companies and mortgage companies for mortgage investment, but many trust companies cannot invest in improved real estate up to more than 50% of the value of the property. Mortgage companies may invest up to 60% and in this difference lies one reason why a large volume of mortgage business which trust companies might secure, goes instead to mortgage concerns. Few borrowers are content with a 50% loan if a 60% accommodation is available on the same terms.

For that reason among others, close observers of the mortgage field in Canada foresee a larger share of revived mortgage business going to companies which may operate without the restriction placed on trust companies in this connection. Conversely, the present trend in expansion of trust companies' administrative business points to a well defined trend in business which is essentially of a trust type.

**Earnings are Higher**

Earnings of Canadian trust companies during 1936 reflect the expansion in business of a trust nature to a greater extent than mortgage companies although the latter are improving their positions, as earnings figures for 1936 reveal.

Earnings per share on representative Canadian trust and loan companies in 1936 compare with those of 1935 as follows:

**Trust Companies**

| | 1936 % earn. per sh. | 1936 % pd. in divs. | 1935 % earn. per sh. | 1935 % pd. in divs. |
|---|---|---|---|---|
| Montreal Trust | 19.3 | 16 | 19.8 | 16 |
| Chartered Trust | 8.21 | 4 | 7.03 | 1 |
| Eastern Trust | 10.57 | 8 | 10.54 | 8 |
| Premier Trust | 5.7 | 5 | 5.26 | 5 |
| Guaranty Trust | 9.71 | 5 | 8.38 | 7 |
| Grey and Bruce | 16.23 | 8 | 15.32 | 8 |
| Canada Trust | 11.03 | 10 | 11.04 | 10 |
| Royal Trust | 25 | 16 | 23.75 | 16 |
| Toronto Gen. Trust | 7.49 | 4 | 6.39 | 5 |
| General Trust | 6.6 | 6 | 6.51 | 6 |
| British Mtge. & Trust | 8.32 | 8 | 10.11 | 8 |
| National Trust | 8.61 | 8 | 8.69 | 8 |
| Lambton Trust | 3.01 | 2 | 2.76 | 2 |
| London & Western | 3.99 | .. | 2.93 | .. |
| Guelph Trust | 10.26 | 3 | 9.44 | 5 |
| Sterling Trust | 2.85 | 1 | 2.57 | .. |
| Maritime Trust | 3.04 | 2 | 2.75 | 1.5 |
| | 9.39 | 6 | 8.97 | 5.9 |

Average earnings in 1936, on this basis, are shown to be 9.39% of average or paid-up capitalization compared with 8.97% in 1935, but the increase in dividend disbursements was not so large. In this is a reflection of the conservative policies common to most Canadian trust companies in all branches of operations and the reason that their securities and debenture certificates rank high in the investment scale.

Much the same story is revealed in the record of a group of representative loan companies whose earnings have advanced in 1936 to about the same extent although uncertainties affecting mortgage legislation and other adverse influences are reflected in a decrease in average dividend payments in 1936 rather than in the gain which trust companies report in dividend payments.

Earnings of representative lending concerns in 1936, compared with those of 1935 show the following typical results:

**Loan Companies' Earnings**

| | 1936 % earn. per sh. | 1936 % pd. in divs. | 1935 % earn. per sh. | 1935 % pd. in divs. |
|---|---|---|---|---|
| Real Estate Loan | 4.04 | 2 | 4 | 2 |
| Lambton Loan | 2.8 | 2 | 2.08 | 2 |
| Yarmouth Bldg. | 6.9 | 6 | 6.6 | 6 |
| Huron and Erie | 6.09 | 5 | 6.05 | 6 |
| Eastern Can. Savings | 8.27 | 6 | 6.11 | 6 |
| Toronto Mortgage | 6.53 | 6 | 6.54 | 6 |
| Can. Perm. Mtge. | 9.71 | 8 | 9.64 | 8 |
| Montreal Loan | 8.32 | 8 | 8.68 | 9.5 |
| Mtge. Corp N.S. | 8.17 | 7 | 8.56 | 7 |
| Guelph & Ont. | 7.56 | 6 | 7.18 | 6 |
| | 6.83 | 5.6 | 6.54 | 5.85 |

In the light of widely varying conditions affecting both trust and loan concerns in different areas of Canada, current earnings situation and the consistent earnings record of recent years are significant of sound business policies among the managements of these companies.

**Greater Activity Foreshadowed**

With a continuation of the improvement in general business, however, it is reasonable to expect further advances in trust companies' earnings this year, and should the expected building revival take place in 1937 the benefits to mortgage companies and their shareholders are obvious, in spite of the competition in the lending field from other agencies of both private and governmental character.

The contraction in mortgage lending which has been marked since 1930 had its origin both in legislation tending toward invalidation of existing mortgage contracts with lenders wary of making further loans, and in increasing taxation of property, which as a charge ranking prior to mortgages, likewise caused lenders to become extremely cautious. The latter development also caused many borrowers to abandon their equities and add further weight to already depressed real estate values and markets.

But with a return of better business conditions in Canada, eventual lessening of relief burdens and accompanying taxes, the mortgage lending field may again experience its former activity. The time has not yet arrived, but the signs are more hopeful than for some years.

## *Quebec's Moratorium Law Creates New Uncertainty*

### Change in Effective Date Postpones Realization on Investments — Interest May be Deferred

Quebec effected important changes in its moratorium legislation in 1936, the significance of which lies in the fact that Quebec is the first province other than Alberta to alter the effective date after which new mortgages are not affected by moratorium legislation.

Of wide significance, the "Act respecting Moratorium and Safeguarding Small Property" alters the laws which have been in effect since Quebec enacted its first moratorium legislation in 1933.

For one thing, taxes for the current year and two preceding years do not need to be paid and in this situation is seen the implication that no fewer than four annual tax payments must be in arrears before the landing institution or individual can act to recover the investment on the basis of unpaid taxes. To that total, however, may be added substantial interest charges which also fall on the lender since they take priority over mortgage claims, and in this connection the city of Montreal's 7% penalty on taxes 60 days overdue is cited as an example of what can happen.

But to mortgage men the provision which places the debtor in default in a more advantageous position than one who has maintained interest payments is the most disturbing feature of the new legislation.

**Interest Over 5% Postponed**

For the new law provides that the rate of interest called for in the loan contract may be ignored if the debtor has paid interest at a 5% rate since the legislation became effective last November, and that any difference between 5% and the rate provided in the contract may be extended until May, 1938. It cannot be collected by legal action meanwhile, although it is not cancelled, and mortgage authorities are themselves in doubt whether any interest on the unpaid difference between the two rates of interest is collectible.

Disturbing as this concession to defaulters appears to lending circles it is secondary to the provision which changes the date of effective moratorium from March 1, 1933 to November 1, 1936. Here is a move that has a far wider significance than appears at first glance, for it affects mortgages contracted in the knowledge of both lender and borrower that the contract was not affected by moratorium laws passed up to last autumn in Quebec. The plain fact is that by legislation those mortgages, too, are brought within moratorium provisions.

**Unrestricted Basis Removed**

Quebec previously had extended each year the provisions of moratorium passed in 1933, but mortgage contracts made after that time were on a different basis because they were not subject to moratorium provisions and so far as the lender knew he could recover his investment without restriction. On the other hand, mortgage authorities point out that the change in recoverable interest rates since March, 1933, might admittedly work hardship and prove unfair in allowing moratorium-protected mortgages a lower recoverable rate of interest while penalizing the unprotected newer mortgage contracts with a higher rate. Here again, however, the passing of legislation by which the newer mortgages are placed in the same protected category as those created before 1933 automatically removes the only assurance of recovery the lender had until last November. Interest payments in excess of 5% which are postponed until 1938 and recovery of principal are therefore both restricted.

The new Quebec law makes a number of other changes which are viewed with some misgivings in lending circles but the net effect is to cast doubt on the question of whether the lender who enters into a mortgage contract in 1937 may not find himself in the position of being unable to recover the investment in the event of still further legislation which conceivably could postpone indefinitely any collection of principal and interest over an arbitrary amount fixed by law.

**TRUST AND LOAN SECTION**

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## *Investment Pared By Obsolescence*

Dwellings continue to provide the most favorable channel for mortgage investment in Canada in comparison with business structures suitable or only one type of business enterprise, but according to F. W. Kemp, Toronto lawyer and authority on mortgage conditions, that is only half the story.

Houses decrease in value and become obsolete in style and design more rapidly than many other types of construction, Mr. Kemp noted in an address to the Toronto Home Builders Association recently.

And because they do, the mortgagee usually wants from 2% to 5% of principal paid back each year, although the builder in most instances would prefer a return to the former five-year first mortgage payment.

Reason for the mortgagee's attitude, however, is that the man who can make annual repayments of principal is a better borrower than one who can make interest payments only, but it is also because the return of the investment is an equally sound hedge against depreciated real estate values from obsolescence.

## New Extension Of Moratorium

### Ontario Contracts Since 1932 Likely To Be Unaffected

Probable extension of Ontario's moratorium for another year, and possibly two years, reflects the fact that real estate values in the province have not advanced to a point where equity values have been restored

The prospect for extension of the moratorium in Ontario does not, however, include the sweeping scope of Quebec's moratorium laws passed last autumn. Unlike Quebec, Ontario evidently does not intend to alter the effective date under which newer mortgages are free of moratorium restrictions, and the effect of extending the former legislation will not be to retard future mortgage investment in the province.

Basis of the arrangement in Ontario is the 1937 Mortgagors and Purchasers Relief Act which was drafted after a survey showed that Ontario real estate values had increased only about 5% over the low point of the depression period. Any attempt to refinance existing mortgages at face value therefore is regarded in Government quarters as unlikely to succeed and the only alternative is extension of the present law.

Ontario mortgages contracted during the period of high prices a few years ago were found to be for 75 to 80% of the value of properties at that time and the equity at current values is therefore doubtful in many cases.

## Nor. Mortgage, Canada Makes 50-cent Payment

Northern Mortgage Co. of Canada reported cash and liquid assets of around $20,000 at Dec. 31, 1936, an increase for the year of $4,000 and on that basis directors authorized a distribution of $15,000 to shareholders. The distribution amounts to 50 cents a share as a return of capital. There remains $12.50 a share of the company's original capital of which $5 is fixed and the balance of $7.50 a share, distributable if, as and when it can be realized.

The company's head office is in Winnipeg. Its deficit as at Dec. 31, 1936 is shown at $486 in the annual profit and loss account.

## Trust Shares Provide Yield With Security

### Guaranteed Investment Certificates Also Attractive to Investors

### EARNINGS RISING

What are the prospects for investors in shares and debentures of Canadian trust and loan companies?

Trust companies' shares are showing greater earning power, largely in revenues derived from trust services but also from investments, and shareholders are receiving larger returns in dividends compared with 1935 or 1934. A similar, although less pronounced improvement is evident in earnings of lending companies, but until this year the unfavorable aspects of debt legislation and drought in the west have prevented any translation of higher earnings into increased dividend payments.

The result is that while trust companies' shares continue to attract the attention of conservative investors, the securities of mortgage concerns have not yet regained the investment standing that once attached to the mortgage business, regarded at one time as the acme of security available to lenders. Declining interest rates, too, have rendered less desirable the securities of companies engaged in lending money on the security of improved real estate, since it is clear that earnings from 5% and 6% mortgages cannot compare with those obtainable when considerably higher interest rates prevailed.

The fact is that real estate is still a gilt-edged investment in spite of legislative efforts, aimed at protecting the small home owner, but in reality creating conditions which in some areas of Canada defeated their own purposes. Real estate remains one of the largest single investment items in Canada and the chief investment interest of trust companies, mortgage corporations and life insurance concerns.

**Taxation Is Obstacle**

Taxation, more than any other single factor, is regarded as a major cause of the decline of real estate investment in the last five or six years. It has retarded new building and in turn the construction industry has experienced a severe depression of its own. Since it has recently been found that a major proportion of unemployed Canadians ordinarily are at work on construction projects, the chain of circumstances between mounting taxation, rising relief costs and declining returns from mortgages is not difficult to establish.

Providing the return of improved business conditions can be translated into a downward curve of the taxation graph, an improvement in real estate values and mortgage lending returns may be reasonably expected.

In the Prairie Provinces there are, of course, hazards which cannot be entirely eliminated. The Provincial Debt Adjustment Board operates in Saskatchewan, where drought conditions created hardships for many mortgage debtors in 1936, but even in Saskatchewan the tendency toward voluntary debt adjustment is becoming more evident with extension of the plan between the Government, lending companies and rural municipalities by which the province is divided into the drought area, a "marginal" area, and a third area which comprises the balance of the province.

Should Saskatchewan and other Prairie Provinces experience good crops in 1937, in addition to reviving business elsewhere in Canada, the restrictions brought about by seven years of mounting debt liability may be removed and mortgage lending resumed on a normal basis. It is significant that, in Saskatchewan last year, mortgage interest collections where higher than those of 1935, despite the admittedly adverse conditions existing and the almost unbearable load of debt which many western home owners continued to carry.

**Earnings Are Higher**

Trust companies' earnings are currently favorable from an investment standpoint and in this field the investor has a choice of acquiring either the shares of the company or its debentures or deposit certificates. Rates currently paid on short term guaranteed investment certificates ranging from one to five years' maturity are from 3% to 3¾% per annum and the certificates are secured by assets specially earmarked for that purpose, as well as other assets of the trust company itself. In reviewing the reports of Canadian trust companies for 1936 the majority are found to be maintaining a substantial margin of liquid assets, mortgages and net capital account assets over the amount of guaranteed certificate liability to the public.

Investors in these certificates are therefore in an exceedingly safe position with a fixed return on their investment which, although favorable in the light of current available yields, does not afford participation in dividend disbursements arising out of higher trust company earnings.

**May Share in Profits**

Purchase of a trust company's shares, on the other hand, may yield a higher return from profits and the rise in profits of nearly all leading companies naturally attracts investment attention to these shares at the moment. Although guaranteed investment certificates bearing interest around three to 3¾% per annum are not readily marketable, they may under certain conditions be repurchased by the company before maturity. In this connection the greater marketability of the company's shares is frequently an advantage.

The investor in shares or guaranteed investment certificates has strong security, a favorable yield and a reasonable chance of capital appreciation in the event of continued advances in earnings from trust company services and improved returns from mortgages from any general revival of building in Canada.

## *73% of Company Assets Invested in Mortgages*

The investor in shares of a trust or loan company, or in the guaranteed investment certificates of a trust company is in reality making an investment in five or more different types of security.

Guaranteed investment certificates of loan companies are secured by specific assets applicable to the certificates only, as well as by other assets of the company, but whether in a guaranteed investment certificate holder, deposit or otherwise, the money placed with a trust company is reinvested chiefly in real estate and loans on real estate.

Using eight Dominion-incorporated and two provincially incorporated loan companies and 13 Dominion and five provincial trust companies, the annual report of the Dominion Department of Insurance throws an interesting light on investment channels of these companies.

**Real Estate Investments**

As at Jan. 1, 1936, company funds of the trust companies, amounting to $15.6 millions were invested to the extent of 33.07% in loans on real estate and 20% in real estate. Collateral loans formed only 4.28% of the total which also includes Dominion Government bonds, 8.7%; provincial bonds, 2.69%; British and colonial bonds 0.01%; Canadian municipal bonds 5.04% and Canadian railway and corporation bonds 6.57%. Other classifications showed 2.99% in Canadian stocks and 0.03% in U. S. stocks while cash and other assets were 6.46% and 9.90% respectively.

In the case of the same companies' guaranteed funds a different situation is shown and no less than 58.93% of these were invested in loans on real estate. Collateral loans amounted to 11.73% and the next largest group were Canadian Government bonds at 8.76% with provincial bonds 6.33% and municipals 6.98%.

Loan companies' assets are predominately in real estate loans, to the extent of 73.25% of total assets shown in the report at $131 millions.

Detailed figures of loan companies' investments as at Jan. 1, 1936, are as follows:

**Loan Companies' Assets**

| Class of Investment: | Book Value Jan. 1, 1936 $ | % of Total |
|---|---|---|
| Real estate | 9,527,647 | 7.27 |
| Loans on real estate | 96,008,289 | 73.25 |
| Collateral loans | 306,183 | 0.23 |
| Can. Govt. bonds | 6,257,815 | 4.77 |
| Prov. Govt. bonds | 3,690,430 | 2.82 |
| Can. municipal bonds | 1,752,392 | 1.34 |
| Can. rwy. and corptn. | 1,183,082 | 0.90 |
| Canadian stocks | 7,688,974 | 5.87 |
| Cash | 3,670,060 | 2.80 |
| All other assets | *982,715 | 0.75 |

*Including $939,619 unrealized assets of a former provincial loan company.

## *Liquid Reserves of Lenders 55% of Deposit Liabilities*

Although the Dominion Loan Companies Act requires all loan companies accepting deposits from the public to maintain a liquid reserve equal to 20% of the deposits, the actual reserves have been as high as 65% during the last two years, and on the basis of latest available figures for Sept., 1936, they stood at 55.10%.

Liquid reserves consist of cash, Government or municipal securities, loans secured by such securities or guaranteed bank credit subject to conditions approved by the Department of Insurance.

From a peak of 65% in March, 1935, the percentage of reserves to deposits declined to 54% in mid-year of 1935 and during 1936 ranged from 51% to more than 58%. The largest items among reserves consist of Government municipal securities but these and other reserves of a liquid type do not of course represent the entire security for deposits since they do not include mortgage investments.

The liquid reserve maintained by loan companies during 1936 is revealed, however, in figures issued by the Department of Insurance, as follows:

**Loan Companies Reserves Against Deposits**
(In Millions of Dollars)

| 1936 | Deposits $ | Reserves Cash | Gov. & Mun. Securities | Loans on Securities | Bank Credits | Total | % of Res. to Deposits |
|---|---|---|---|---|---|---|---|
| Jan. | 26.3 | 2.6 | 11.0 | 10.9 | .58 | 14.2 | 54.13 |
| Feb. | 26.4 | 2.9 | 11.0 | 10.7 | .58 | 14.6 | 55.41 |
| Mar. | 26.8 | 3.2 | 11.3 | 10.8 | .58 | 15.2 | 56.58 |
| Apr. | 26.5 | 4.0 | 10.8 | 11.0 | .58 | 15.5 | 58.41 |
| May | 26.4 | 2.7 | 10.7 | 11.2 | .58 | 14.0 | 52.94 |
| June | 26.2 | 2.2 | 10.8 | 10.2 | .58 | 13.7 | 52.15 |
| July | 26.1 | 1.9 | 10.8 | 12.5 | .58 | 13.4 | 51.44 |
| Aug. | 26.0 | 2.2 | 10.8 | 13.2 | .58 | 13.6 | 52.50 |
| Sept. | 25.6 | 2.3 | 11.1 | 12.0 | .58 | 14.1 | 55.10 |

**Sales of Wheat**

Wheat marketings in the Prairie Provinces for the 27 weeks from Aug. 1, 1936, to Feb. 5, 1937, as compared with the same period in 1935-36 were as follows, figures within brackets being those for 1936: Manitoba, 18,550,231 (15,411,917); Saskatchewan, 78,166,269 (99,432,445) and Alberta 44,134,917 (69,862,169) bushels. For the 27 weeks ended Feb. 5, 1937, and Feb. 7, 1936, 140,851,417 and 185,041,795 bushels were received from the farms.

MONTREAL TRUST COMPANY
ESTABLISHED 1889

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Winnipeg Edmonton
St. John's, Nfld.

Toronto
Halifax Vancouver
London, Eng.

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COMPLETE
TRUST
SERVICE

*Incorporated by Special Act*
*of the Parliament of the*
*Dominion of Canada.*

Guaranty Trust
Company of Canada
TORONTO AND WINDSOR

1927 MARCH 1927 CALENDAR

It took 10 YEARS
to settle this Estate!..

WHEN the will was read it was found that the testator had named his brother as Executor . . . the brother, inexperienced and busy with his own affairs, could not devote sufficient time to settling the estate . . . delays inevitably occurred . . .

Then the brother fell ill and died . . . the task of settling both estates fell to *his* Executor—another individual—who himself died before he could complete the work. In the end, it took ten years and cost ten times what it should have to settle this simple estate.

Don't subject your estate to costly errors and delays . . . name The Royal Trust Company your Executor.

Read the column at the right.

*Concerning your Will...*

Your will is one of the most important documents you will ever be called upon to execute . . .

Do not rely on a "home-made" will; the courts are filled with litigation growing out of such mistaken economies . . .

Have your will drawn by a lawyer or notary and consult one of our officers in advance . . .

Out of his long experience, he may be able to help you . . .

You should name an Executor—some person or institution to see that the terms of your will are carried out . . .

It is a mistake to suppose a Trust Company as Executor is expensive . . .

The moderate fees payable to The Royal Trust Company represent sound economy, for the company's permanence, long experience and financial responsibility often eliminate costly mistakes and delays . . .

Ask for our booklets on Wills.

REMARKS ON WILLS

THE
ROYAL TRUST
COMPANY

# Trust Company Income Reflects New Business

## Acadia Trust

Acadia Trust Co. of Truro, N.S., although relatively new in the Maritime trust field, has established itself as a lending trust company in Eastern Canada and its earnings record has been consistently favorable.

Against dividend requirements of $10 per share, the company earned $29 per share in 1936 and in each of the last six years dividends have been earned more than twice over.

Profit and loss account after payment of dividends has accumulated over a period of years until it amounted to $122,288 in 1936 and it was decided to transfer $100,000 to reserves, bringing the latter to $700,000 or 3½ times the capital.

**Officers and Directors** — A. R. Coffin, Truro, pres.; Harold F. Bethel, vice-pres. and man. dir.; P. J. Wilcox, sec.; H. A. Townsend, asst. sec.; C. E. Stanfield, Truro; F. L. Milner, Amherst; J. W. MacLeod, New Glasgow; C. B. Smith, Halifax; H. M. Chase, Kentville; J. Fred Fraser, Halifax; Hon. E. M. McDonald, Pictou; D. J. L. McIsaac, Antigonish.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 700,000 | 55,239 | 10 | 27.61 |
| 1933 | 700,000 | 46,902 | 10 | 23.45 |
| 1934 | 800,000 | 57,043 | 10 | 28.52 |
| 1935 | 800,000 | 54,781 | 10 | 27.39 |
| 1936 | 800,000 | 58,026 | 10 | 29.01 |

*After deducting income tax reserve.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Guar. funds | 857,458 | 863,911 |
| Secured by assets: | | |
| Liquid assets | 811,042 | 814,725 |
| Mortgages & int. | 46,416 | 49,186 |
| Net cap. acct. assets | 922,288 | 884,263 |
| Total | 1,779,746 | 1,748,174 |
| Estates, etc. | 5,768,193 | 5,740,938 |

## Administration and Trust

Bulk of the business of Administration and Trust Co. formed in 1902 with head office at Montreal, is in administration of estates. These totalled $33 millions at the end of 1935, latest date for which figures are available. The company is controlled by well-known French-speaking Canadians.

**Officers** — Hon. Rodolph Lemieux, pres.; Count C. d'Anvers, vice-pres.; J. T. Leclerc, man. dir.; J. C. Brosseau, sec.; C. E. Campiche, chief controller.

**Directors**—Hon. Rodolph Lemieux, Count C. d'Anvers, M. Chevalier, Viscount de Roumefort, Sir Thos. Chapais, Hon. L. A. David, J. Sirois, L. S. St. Laurent, J. T. Leclerc, Hon. E. L. Patenaude, A. Raymond, Paul Amos, J. C. H. Dussault.

**Branch Offices** — Quebec, Winnipeg, Regina, Edmonton, Vancouver.

**Shareholders' Position**

| | 1935 | 1934 |
|---|---|---|
| Rate earned per sh. % | 11.6 | 12.2 |
| Div. paid per sh. % | 8 | 8 |
| Net profits $ | 58,009 | 60,807 |
| P & L surplus | 254,465 | 252,527 |
| Reserves | 248,653 | 233,558 |
| **Creditors' Position** | | |
| Deposits $ | 29,200 | 232,526 |
| Secured by: | | |
| Liquid assets | 29,200 | 232,526 |
| Capital acc. assets | 1,598,250 | 1,587,801 |
| **Estates, Etc.** | | |
| Est. under admin. | $32,978,505 | 31,592,102 |

Latest figures available.

## British Canadian Trust Co.

Growth in volume of assets under administration had marked the record of British Canadian Trust Co., with head office at Lethbridge, Alta. The company began operations in 1910 and has a subsidiary concern, British Canadian Finance Ltd.

Latest available earnings figures are for 1934.

**Officers and Directors**—G. Lomas, pres.; R. R. Davidson, vice-pres.; H. D. Rood, mgr. and sec.; F. Horne, G. H. Roy, R. B. C. Thomson, J. S. Kirkham.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate $ | Earn.† per sh. $ |
|---|---|---|---|---|
| 1931 | 130,392 | 6,606 | 6 | 4.6 |
| 1932 | 133,361 | 8,408 | 6 | 4.5 |
| 1933 | 133,457 | 7,237 | 3 | 5.4 |
| 1934 | 133,723 | 9,625 | 5 | 7.2 |

*After income tax.
†On average capital.

**Creditors' Position**

| | 1934 $ | 1933 $ |
|---|---|---|
| Trust funds | 84,350 | 59,713 |
| Secured by: | | |
| Liquid assets | 48,926 | 21,475 |
| Mortgages | 35,422 | 38,238 |
| Capital acct. assets | 216,300 | 214,485 |
| Total | 300,658 | 274,198 |
| Estates, etc. | 901,549 | 811,231 |

## Brockville Trust

Earnings of Brockville Trust & Savings Co., Brockville, Ont., were equal to $3.95 a share in 1936, almost identical with the net for the previous year and ample for dividend requirements of $2.50. The company also transferred $14,564 in 1936 to reserves for mortgages, agreements and real estate.

The company's shares are of $50 par value and its earnings record for some years has been consistently favorable. The dividend of $2.50, paid since 1933, has been amply covered by earnings ranging from $3.77 to $4.27 per share on the $50 stock in each of the last five years. All mortgages are held in Ontario. The company was incorporated as a loan company in 1885, but was granted trust company powers in 1929.

**Officers**—J. Gill Gardner, pres.; Adam Fullerton, vice-pres.; L. C. Dargavel, man. dir.; E. J. Smith, sec.-treas.

**Directors**—J. Gill Gardner, Adam Fullerton, F. H. Fulford, A. G. Parish, L. C. Dargavel, George T. Fulford, Hon. G. P. Graham, F. I. Ritchie, J. M. Dobbie, Hon. H. A. Stewart, Hon. A. C. Hardy, Brockville, Ont.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 735,000 | 42,611 | 3.50 | 4.26 |
| 1933 | 715,000 | 37,734 | 2.50 | 3.77 |
| 1934 | 715,000 | 42,703 | 2.50 | 4.27 |
| 1935 | 700,000 | 39,583 | 2.50 | 3.96 |
| 1936 | 700,000 | 39,535 | 2.50 | 3.95 |

*After income tax.
†On paid-up capital. Par $50.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Invest. certificates | 265,367 | 251,192 |
| Deposits | 571,272 | 530,020 |
| Total | 836,639 | 781,212 |
| Secured by assets: | | |
| Liquid assets | 243,076 | 209,758 |
| Mortgages & int. | 578,523 | 571,454 |
| Net capital acct. assets | 708,303 | 708,332 |
| Total | 1,529,902 | 1,489,544 |
| Estates, etc. | 645,493 | 558,791 |

## British Mortgage and Trust

British Mortgage & Trust Corp. of Ontario was incorporated in 1877 and has its head office at Stratford, Ont. Most of its business is in guaranteed trust accounts. All mortgage loans are in southwestern Ontario.

Earnings in 1936 were equal to $8.32 per share against dividend requirements of $8 a share. The company maintains a substantial internal reserve and assets securing liabilities to the public totalled $7.1 millions at the end of 1936 compared with investment receipts and deposit liabilities of $5 millions.

**Officers**—Hon N. Monteith, pres.; J. W. Brown, vice-pres.; W. H. Gregory, man. dir.; W. P. Bradshaw, asst. mgr.

**Directors**—Hon. N. Monteith, J. W. Brown, T. Ballantyne, L. M. Johnston, C. E. Moore, W. H. Gregory, Dr. H. W. Baker.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,825,000 | 126,052 | 12 | 12.60 |
| 1933 | 1,700,000 | 103,929 | 10 | 10.39 |
| 1934 | 1,825,000 | 83,766 | 8 | 8.37 |
| 1935 | 1,825,000 | 101,064 | 8 | 10.11 |
| 1936 | 1,825,000 | 83,206 | 8 | 8.32 |

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. receipts & int. | 3,337,106 | 3,294,360 |
| Deposits | 2,000,101 | 1,915,474 |
| Total | 5,337,207 | 5,209,834 |
| Secured by assets: | | |
| Liquid assets | 1,246,558 | 879,879 |
| Mortgages & int. | 4,090,649 | 4,329,955 |
| Net cap. acct. assets | 1,851,800 | 1,847,594 |
| Total | 7,189,007 | 7,057,428 |
| Estates, etc. | 784,636 | 744,681 |

## Community Trusts

Steady growth has marked the operations of Community Trusts Corp. since its incorporation in 1928. Head office is at Chatham, Ont. Earnings equal to $5.15 a share in 1935, latest date for which figures are available, were more than twice the year's dividend requirements of $2.50 a share.

**Officers**—P. S. Coate, pres. and man. dir.; S. Stone, vice-pres.; J. A. McCallum, sec.-treas.

**Directors** — P. S. Coate, A. Park, S. M. Glenn, C. Austin, W. E. Rispin, W. G. Richards, Spencer Stone.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 118,150 | 7,803 | 2.50 | 3.30 |
| 1933 | 118,650 | 7,207 | 2.50 | 3.05 |
| 1934 | 118,650 | 10,225 | 2.50 | 4.31 |
| 1935 | 118,650 | 12,242 | 2.50 | 5.15 |

**Public Liabilities and Assets**

| | 1935 $ | 1934 $ |
|---|---|---|
| Inv't certif. | 45,841 | 28,421 |
| Trust deposits | 84,988 | 90,529 |
| Total | 130,829 | 118,950 |
| Secured by: | | |
| Liquid assets | 43,504 | 37,109 |
| Mortgages & int. | 87,326 | 81,841 |
| Net cap. ac. assets | 136,063 | 130,564 |
| Total | 266,893 | 249,514 |
| Estates, etc. | 823,904 | 657,968 |

Latest figures available.

## Can. Permanent Trust

Canada Permanent Trust Co., Toronto, is controlled by Canada Permanent Mortgage Corp. It was incorporated in 1913, and has consistently increased earnings. In each year since 1932 an increase has been shown in the net earnings available for dividends. An annual dividend of $6 is paid and in 1936 this was covered by earnings of $10.15 per share. Earnings in 1935 were equal to $9.93 per share.

Estates and agencies under administration at the close of 1936 totalled $44.8 millions, the highest figure in the company's history.

**Officers**—F. Gordon Osler, pres.; J. A. Rowland, first vice-pres. and gen. mgr.; E. D. Gooderham, second vice-pres.; W. F. Watkins, sec.; R. Henderson, inspector of branches.

**Directors**—F. Gordon Osler, J. A. Rowland, E. D. Gooderham, F. S. Corrigan, G. H. Gooderham, C. S. Robertson, J. R. Lamb, R. L. Warren, Toronto; G. W. Allan, Winnipeg; A. B. Campbell, Edinburgh.

**Branch Offices**—Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Woodstock, Ont., Brantford, Ont., Regina, Sask.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,400,000 | 70,790 | 6 | 7.08 |
| 1933 | 1,400,000 | 72,929 | 6 | 7.29 |
| 1934 | 1,400,000 | 95,068 | 6 | 9.51 |
| 1935 | 1,400,000 | 99,343 | 6 | 9.93 |
| 1936 | 1,400,000 | 101,492 | 6 | 10.15 |

*After all expenses, charges and taxes.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds | 1,353,857 | 1,454,651 |
| Secured by assets: | | |
| Liquid assets | 148,442 | 157,338 |
| Mortgages & int. | 1,205,453 | 1,297,314 |
| Net capital acc. assets | 1,480,233 | 1,475,879 |
| Total | 2,834,128 | 2,930,531 |
| Estates, etc. | 44,854,893 | 41,296,304 |

## Capital Trust

Operating since 1913, Capital Trust Corp. has its head office at Ottawa. Mortgage investments of the company are chiefly in Ontario properties.

The fourth consecutive increase since 1932 was shown in net profits of the company in 1936. These were equal to $5.70 a share compared with $5.13 a share in 1935. The dividend rate remained unchanged at $3, having been reduced from $4 per annum in 1933.

The company was named trustee for new bond issues amounting to $6.5 millions in 1935. Branch offices are operated in Toronto and Montreal.

**Officers**—J. J. Lyons, pres.; A. E. Provost, M. W. Hackett, T. D'Arcy McGee, J. J. Seitz, vice-pres.; E. T. B. Pennefather, gen. mgr.; E. L. Parent, asst. gen. mgr.; J. J. Lyons, sec.

**Directors**—J. J McFadden, W. J. Hussey, W. H. McAuliffe, Col. D. R. Street, A. J. Major, M. A. Mahoney, Hon. J. J. Donnelly, E. T. B. Pennefather, T. O'Connell, C. H. Labarge, W. H. Poupore, D. P. Cruickshank, Major F. D. Burpee.

**Branch Offices**—Toronto, Montreal.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,037,524 | 42,076 | 5 | 5.24 |
| 1933 | 1,049,882 | 43,149 | 4 | 4.91 |
| 1934 | 1,066,717 | 42,979 | 3 | 4.86 |
| 1935 | 1,084,235 | 45,342 | 3 | 5.13 |
| 1936 | 1,094,675 | 50,451 | 3 | 5.70 |

*After deducting management expenses and provision for taxes, but before amount written off equipment, etc.; and before reserve for accrued taxes in 1930.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust certifs. & int. | 3,480,137 | 3,575,748 |
| Trust savings | 2,339,628 | 2,038,721 |
| Total | 5,819,765 | 5,614,469 |
| Secured by assets: | | |
| Liquid assets | 2,040,562 | 1,877,818 |
| Mortgages & int. | 3,779,202 | 3,736,652 |
| Net capital assets | 1,029,052 | 1,026,942 |
| Total | 6,848,816 | 6,641,412 |
| Estates, etc. | 8,723,840 | 9,809,173 |

## Crown Trust

The Crown Trust Co., Montreal, is a conservatively managed organization, the principal business of which is administration of estates, trusts and agencies. Mortgage holdings are relatively small but profits have been stable during the last five years or more. In that period they have ranged between $7.03 to the highest figure reached in 1936 at $7.28. Dividend requirements of $7 per annum have been fully covered in each year.

The form of the 1936 balance sheet was changed by taking "clients' funds on deposit" out of the capital account and putting it with the "guaranteed account." In previous years the latter section included only those funds deposited for investments in guaranteed mortgages.

As a result of the change the capital account declined from $2.4 millions to $1.4 million, while the guaranteed account increased from $361,030 to over $1.7 million. Of the latter, $1.1 million represents loans on securities, and the balance first mortgage loans. Assets under administration increased during the year from $25.5 millions to around $28.6 millions.

**Officers**—I. P. Rexford, gen. mgr.; W. H Jackson, asst. mgr.; Wm. F. Brass, mgr., real estate dept.; J. G. McKay, sec.; J. H. Hobbs, asst. sec.; A. S. K. Stitt asst. sec.

**Directors**—W. I. Gear, pres.; A. Lyman, vice-pres.; J. Jenkins, vice-pres.; G. W Birks, A. H Campbell, A. O. Dawson H. B. Henwood, J. A. Mann, E. C. Pratt, I. P. Rexford, J. G. Ross, J. W. Ross, A. Wainwright, A. B. Wood, P. R Walters, R. W. Steele, W. P. O'Brien.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh $ |
|---|---|---|---|---|
| 1932 | 1,400,000 | 71,284 | 7 | 7.13 |
| 1933 | 1,400,000 | 71,672 | 7 | 7.17 |
| 1934 | 1,400,000 | 72,515 | 7 | 7.25 |
| 1935 | 1,400,000 | 70,319 | 7 | 7.03 |
| 1936 | 1,400,000 | 72,859 | 7 | 7.28 |

*Taxes deducted.

**Creditors' Position**

| | 1936 $ | 1935 $ |
|---|---|---|
| Funds for investment | 1,729,670 | 361,030 |
| Secured by: | | |
| First mtge. loans | 629,670 | 361,030 |
| Net cap. acct. assets | 1,446,265 | 1,443,406 |
| Total | 2,075,935 | 1,804,436 |
| Estates, etc. | 28,578,126 | 25,517,366 |

## Canada Trust

Earnings of Canada Trust Co., a wholly owned subsidiary of Huron and Erie Mortgage Corp., with head office at London, Ont., increased in 1936 to $11.03 a share and covered dividend requirements of $10 per share by the highest margin since 1930.

The company began business in 1894 under a Dominion charter and has expanded operations through offices located in the principal cities cities between Toronto and Vancouver.

Mortgage holdings were reduced in 1936 from $1.2 million to $1.1 million and mortgages held in the guaranteed trust account showed a reduction for the year from $7.2 million to $7 millions. Payments of mortgage interest in cash were substantially higher than in 1935 with the result that the total of unpaid interest was reduced. Internal investment reserves are at a new peak, but trust funds for investment were reduced from $8.9 millions in 1935 to $8.3 millions in 1936.

**Officers**—T. G. Meredith, chm. and pres.; H. E. Gates, vice-pres.; M. Aylsworth, gen. mgr.; D. McEachern, sec.; C. J. Clarke, treas.; H. W. Givins, supt. of Western branches; R. P. Baker, invest. exec.; R. H. Cronyn, asst. sec.

**Directors**—T. G. Meredith, chm.; V. P. Cronyn, H. E. Gates, J. E. McConnell, Morley Aylsworth, George H. Belton, Col. I. Leonard, Lt.-Col. Claude Brown, T. W. McFarland, Lt.-Col. A. C. Spencer, London, Ont.; A. R. Bartlet, Windsor; J. B. Davidson, St. Thomas; W. H. Gardner, Winnipeg; John W. Hobbs, J. W. Spears, Toronto; S. J. Smith, Chatham; E. A. Wilson, Ingersoll.

**Branch Offices** — London, Ont. (4); Toronto, Hamilton, St. Thomas, Chatham, Windsor, Regina, Winnipeg, Edmonton, Victoria and Vancouver.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,850,000 | 100,830 | 10 | 10.08 |
| 1933 | 1,850,000 | 100,206 | 10 | 10.02 |
| 1934 | 1,750,000 | 100,407 | 10 | 10.04 |
| 1935 | 1,750,000 | 100,384 | 10 | 10.04 |
| 1936 | 1,750,000 | 110,307 | 10 | 11.03 |

*After expenses of management and other charges, taxes, and making provision for actual losses.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds & int. | 8,323,960 | 8,972,396 |
| Secured by assets: | | |
| Liquid assets | 1,226,431 | 1,790,076 |
| Mortgages and int. | 7,097,528 | 7,182,319 |
| Net capital ac. assets | 1,803,334 | 1,793,028 |
| Total | 10,127,293 | 10,765,423 |
| Estates, etc. | 23,020,202 | 22,107,637 |

## Chartered Trust

Chartered Trust and Executor Co., Toronto, was originally incorporated in 1905 and subsequently acquired the Guardian Trust Co. and the Quebec Savings and Trust Co. Nearly all the mortgages of the company are held in the Toronto area.

Improved earnings in 1936 were equal to $8.21 per share against dividend requirements of $4 per share, compared with earnings of $7.03 in 1935, and a dividend of $1 per share was paid in that year.

Growth in the company's estates business is reflected in a rise to $20.7 millions in estates and trusts under administration at the end of 1936.

**Officers**—R. R. Corson, pres.; J. J. Gibson, vice-pres. and gen. mgr.; E. W. McNeill, sec.; F. McLaughlin, mgr. real estate dept.; F. W. Tolfield, Montreal branch mgr.

**Directors**—Rolph R. Corson, J. J. Gibson, F. McLaughlin, Col. K. R. Marshall, W. Wright, N. C. Urquhart, A. L. Ellsworth, Toronto; J. A. Martin, Kitchener; Lt.-Col. D. H. MacLaren, Barrie; E. K. Reiner, Guelph; C. G. Greenshields, Montreal.

**Branch Office**—Montreal.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,100,000 | 49,854 | 5 | 4.98 |
| 1933 | 1,100,000 | 48,218 | .. | 4.82 |
| 1934 | 1,100,000 | 89,547 | .. | 8.95 |
| 1935 | 1,100,000 | 70,250 | 1 | 7.03 |
| 1936 | 1,100,000 | 82,079 | 4 | 8.21 |

*After reserve for taxes, depreciation write-off and amount on account of goodwill and interest of business acquired by Montreal branch.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't certificates | 833,930 | 1,464,634 |
| Deposits | 3,104,751 | 2,563,887 |
| Total | 3,938,681 | 4,028,521 |
| Secured by assets: | | |
| Liquid assets | 3,195,880 | 3,226,880 |
| Mortgages & int. | 742,801 | 801,641 |
| Net cap. ac. assets | 1,238,206 | 1,215,120 |
| Total | 5,176,887 | 5,243,641 |
| Estates, etc. | 20,689,334 | 19,889,193 |

## Central Trust

Earnings of Central Trust Co. of Canada, with head office at Moncton, New Brunswick have been more than sufficient to meet the 6% dividends in recent years. Undivided profits in 1936 total $32,294 against $31,714 in 1935.

The company maintains branches in Saint John, N.B., and Woodstock. N.B.

**Officers**—Dr. R. C. Tait, pres.; H. M. Wood, vice-pres.; Hon. F. Magee, vice-pres.; J. F. H. Teed, vice-pres.; E. H. Ritcey, asst. sec. and mgr.; Hon. Dr. E. A. Riley, sec.-treas.

**Branch Offices**—Saint John, N.B.; Woodstock, N.B.

**Officers and Directors**—Dr. C. Tait, pres.; Hon. Fred Magee, H. M. Wood, J. F. H. Teed, vice-pres.; Hon. Dr. E. A. Reilly, sec.-treas.; E. H. Ritcey, asst. sec. and mgr.

**Branch Offices**—Fredericton, N.B., Saint John, N.B., Woodstock, N.B.

| Year | Paid-up Capital* $ | Estates under Administration $ | Undivided Profits $ | Div. Rate % |
|---|---|---|---|---|
| 1932 | 100,200 | 3,518,399 | 49,239 | 6 |
| 1933 | 100,200 | 3,311,412 | 28,793 | 6 |
| 1934 | 100,200 | 3,984,637 | 29,064 | 6 |
| 1935 | 100,200 | 3,761,948 | 31,714 | 6 |
| 1936 | 100,200 | 3,881,038 | 32,294 | 6 |

*Not including $150,300 capital subscribed but not called.

## Eastern Trust

Eastern Trust Co., Halifax, Nova Scotia, is one of the largest Maritime companies in the trust and loan field. Mortgages held by the company are on properties in Quebec and the Maritimes.

Since it commenced operations in 1893 the company's earnings have been well maintained at levels considerably above the annual $8 dividend rate. In each of the last three years earnings per share have been in excess of $10 per share and in 1936 they rose to $10.57 per share. The company also increased reserves by $25,000 in 1936, bringing the total to $275,000.

Deposit certificates increased to $6.7 millions against $5.8 millions in 1935.

**Officers**—Hon. F. B. McCurdy, pres.; T. F. Tobin and F. P. Starr, vice-pres.; F. H. M. Jones, gen. mgr.

**Directors** — Hon. F. B. McCurdy, T. F. Tobin, H R. Cockfield, Hon. R. G. Beazley, A. J. Campbell, A. L. Chipman, A. K. Cameron, H. J. Hague, J. C. MacKeen, J MacNeil, Hon. C. W. Robinson, J. McG. Stewart, F. P Starr, C. W. Stairs, D. C. Sinclair, H. R. Silver, Hon. J. C. Tory, J. H Winfield, Col. Hon. J. L. Ralston, Hon. W. D. Ross, Col. D. H. McDougall.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,200,000 | 80,533 | 8 | 8.05 |
| 1933 | 1,200,000 | 80,336 | 8 | 8.04 |
| 1934 | 1,225,000 | 105,530 | 8 | 10.56 |
| 1935 | 1,250,000 | 105,391 | 8 | 10.54 |
| 1936 | 1,275,000 | 105,835 | 8 | 10.57 |

*Less tax reserves, directors' fees and amounts written off.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Deposit certificates | 6,682,138 | 5,807,244 |
| Secured by: | | |
| Liquid assets | 5,030,067 | 4,194,612 |
| Mortgages | 1,652,070 | 1,612,632 |
| Net capital assets | 1,299,151 | 1,273,515 |
| Total | 7,981,288 | 7,080,759 |
| Estates, etc. | 49,331,026 | 49,377,960 |

## Equitable Trust Co.

Incorporated in 1912, with its head office in Winnipeg, Equitable Trust Co. is a small concern which has not published earnings figures since 1930. At that time the dividend was not being earned.

**Officers and Directors**—W. L. Parrish, pres.; H. W. Bell, vice-pres.; J. A. Forlong, vice-pres.; F. W. Leistikow, vice-pres.; E. C. McMurray, man. dir. and sec.-treas.; N. Heimbecker, W. A. Irish.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate % | Rate Earned % |
|---|---|---|---|---|
| 1929 | 555,100 | 19,915 | 2 | 3.5 |
| 1930 | 555,600 | 5,431 | 2 | 0.9 |

| Year | Total Assets $ | Reserve Funds $ | Mortgages and Agreem'ts $ |
|---|---|---|---|
| 1929 | 901,252 | 50,000 | 295,044 |
| 1930 | 816,069 | 50,000 | 247,513 |
| 1932† | 1,878,344 | 400,000 | 800,668 |
| 1933† | 1,880,389 | 400,000 | 791,644 |
| 1934† | 1,887,035 | 400,000 | 792,282 |

*Less income tax. †As at April 30.
Latest available figures.

## Fidelity Trust

Fidelity Trust Co., Winnipeg, has had unfortunate earnings results in recent years and the company's auditors report that owing to the general standing of its investments it is not possible to form an opinion as to the amount of reserves necessary to provide for possible investment losses.

Liabilities to the public are not large and in 1936 an increase was reported in assets which stood at $481,329.

**Officers**—C. M. Simpson, pres. and man. dir.; W. L. Parrish, vice-pres.; R. W. Rutherford, sec.-treas.

**Directors**—W. F. Hull, W. L. Parrish, C. M. Simpson, J. H. G. Russell, all of Winnipeg; A. J. Keith, R. F. Werner, M.D., Eau Claire, Wis.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate % | Rate Earned per sh. % |
|---|---|---|---|---|
| 1932 | 491,524 | *1,423 | .. | .. |
| 1933 | 465,811 | *2,300 | .. | .. |
| 1934 | 465,811 | 2 | .. | .. |
| 1935 | 455,006 | *608 | .. | .. |
| 1936 | 450,097 | 60 | .. | .. |

*Loss.

| Year | Total Assets $ | Reserve Funds $ | Liab. to Public $ |
|---|---|---|---|
| 1932 | 499,323 | 39,479 | 5,287 |
| 1933 | 465,967 | 39,479 | 47 |
| 1934 | 472,348 | 39,479 | 6,437 |
| 1935 | 468,701 | 28,673 | 13,429 |
| 1936 | 481,329 | 23,764 | 30,584 |

## Fidelity Trusts Co. of Ontario

Fidelity Trusts Co. of Ontario increased its assets by over $75,000 in 1936 and its estates account rose to a new peak of $571,563, or almost twice the total of 1933. The company's head office is at Niagara Falls, Ont.

Earnings equalled $2.96 per share in 1936 compared with $3.10 in 1935 on the basis of paid-up capital of $190,000. No dividend is being paid.

**Officers**—F. H. Leslie, pres.; L. Blake Duff, vice-pres.; J. W. Butters, man. dir. and sec.

**Directors**—F. H. Leslie, J. W. Butters, L. B. Duff, A. B. Damude, Dr. G. B. Snyder, F. J. Bearss, R. M. Gay, C. T. Houck.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits $ | Div. Rate $ | Rate* Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 227,997 | .... | . | ... |
| 1933 | 235,200 | 2,518 | . | 1.32 |
| 1934 | 230,877 | 3,929 | . | 2.06 |
| 1935 | 233,794 | 5,890 | . | 3.10 |
| 1936 | 234,359 | 5,633 | . | 2.96 |

*On basis of paid-up capital of $190,200.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. certifs. | 22,758 | 16,193 |
| Deposits | 144,169 | 131,994 |
| Total | 166,927 | 148,187 |
| Secured by: | | |
| Liquid assets | 82,460 | 74,872 |
| Mortgages & int. | 84,467 | 85,015 |
| Net cap. acct. assets | 232,911 | 228,567 |
| Total | 399,838 | 388,454 |
| Estates, etc. | 571,563 | 518,387 |

## Guaranty Trust Co. of Canada

Incorporated with a Dominion charter in 1925 and registered as an Ontario trust company in the following year, the earnings record of Guaranty Trust Co. of Canada has been consistently favorable.

The $5 dividend paid in 1936 was

(Continued on page 12)

Crown Trust Company
EXECUTORS TRUSTEES FINANCIAL AGENTS
TRANSFER AGENT AND REGISTRAR FOR STOCK
TRUSTEE FOR BONDS INVESTMENT ADVISORY SERVICE
REAL ESTATE AGENT MORTGAGE LOANS

BOARD OF DIRECTORS
WILLIAM I. GEAR, President
JOHN JENKINS, Vice-President
IRVING P. REXFORD, General Manager

Gerald W. Birks, J. A. Mann, K.C., John W. Ross
Arthur H. Campbell, W. P. O'Brien, R. W. Steele
A. O. Dawson, Edward C. Pratt, Arnold Wainwright, K.C.
H. B. Henwood, Irving P. Rexford, Percy R. Walters
Arthur Lyman, Jas. G. Ross, Arthur B. Wood

EXPERIENCED SERVICES AND PERSONAL ATTENTION

393 St. James Street
MONTREAL, QUE.

372 Bay Street
TORONTO, ONT.

THE TORONTO MORTGAGE CO.
13 TORONTO STREET, TORONTO
THOMAS H. WOOD, President A. M. M. KIRKPATRICK, Vice-President
WALTER GILLESPIE, Manager

Present Cash Value of Total Assets - - - $5,232,700
Surplus, Over all Liabilities to Public - - - $2,313,300

2% Allowed on Savings Deposits, Withdrawable by Cheque.

3½% Paid on Debentures in all Denominations for three to five years.
LEGAL INVESTMENT FOR TRUST FUNDS

First Mortgage Money to loan on modern solid brick dwellings, in good residential districts. Prompt service.

The
Victoria Trust and Savings Co.
Established 1895
Record of Growth

| | DEPOSITS | GUARANTEED CERTIFICATES | ASSETS |
|---|---|---|---|
| 1900 | $88,561.52 | $22,824.77 | $231,910.00 |
| 1905 | 154,059.87 | 112,273.04 | 419,188.00 |
| 1910 | 196,884.00 | 175,890.00 | 706,014.00 |
| 1915 | 394,566.00 | 386,751.00 | 1,444,019.00 |
| 1920 | 1,094,734.00 | 1,169,000.00 | 3,292,848.00 |
| 1925 | 1,312,940.00 | 2,466,035,00 | 5,218,820.00 |
| 1936 | 1,517,798.77 | 5,048,077.12 | 9,267,042.74 |

Head Office: LINDSAY, ONT. Branch: CANNINGTON

1855 1937
Head Office
TORONTO, ONT.
COR. ADELAIDE
AND BAY STREETS
SERVICES in SAVINGS
MORTGAGES
DEBENTURES
TRUSTS and ESTATES
BRANCHES from COAST to COAST

CANADA PERMANENT MORTGAGE CORPORATION

FOR 82 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 82 YEARS
"CANADA PERMANENT" has not only effectually safeguarded, but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 82 YEARS
"CANADA PERMANENT" has been a growing asset to Canada and the Safe Depository for Savings.

TRUST SERVICES
The Canada Permanent Trust Company, under the same direction as the Mortgage Corporation, acts as Executor . . . Trustee . . . Administrator . . . Stock Transfer Agent and Registrar . . . Attorney for Executors and Trustees . . . and Custodian of Securities. Undertakes Investments . . . Collections . . . and Real Estate Management.

The Company's Safety Deposit Vaults, the most modern in Canada, provide absolute security for valuable papers at very low annual rentals.

Confidential Consultations Invited

Directors: President — F. Gordon Osler; First Vice-President — John A. Rowland, K.C.; Second Vice-President — E. D. Gooderham; George W. Allan, K.C., Winnipeg; A. B. Campbell, W.S., Edinburgh; F. S. Corrigan; John R. Lamb; Charles S. Robertson; George H. Gooderham; Roy L. Warren.

THE CANADA PERMANENT TRUST COMPANY
Branches
Halifax, Saint John, Woodstock, (Ont.), Brantford, Toronto, Winnipeg, Regina, Edmonton, Vancouver

# Trust Companies (Continued)

(Continued from page 11)

earned nearly twice over with net profits equal to $9.71 a share compared with $8.38 a share in 1935. Capital and paid up reserves are shown at $182,414. The company maintains offices in Windsor, Ontario, and Toronto. A feature of last year's business was extension of the estates' accounts from $3.3 millions in 1935 to $4.6 millions in 1936.

Mortgage investments of the company continue to show improvement with interest arrears relatively lower than they have been for some time.

**Officers** — E. Blake Winter, pres.; A. F. Healy, chm. of board; W. D. Roach and E. M. Proctor, vice-pres.; J. W. Berry, gen. mgr. and sec.-treas.

**Directors**—W. N. Gatfield, A. F. Healy, F. A. Hough, E. C. Kenning, R. Maisey, E. B. Winter, W. D. Roach, J. W. Berry, B. T. Riordon, J. M. Hayes, E. M. Proctor.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Divr Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 147,854 | 15,698 | 7 | 15.26 |
| 1933 | 176,909 | 14,378 | 7 | 11.49 |
| 1934 | 186,589 | 13,597 | 7 | 10.39 |
| 1935 | 187,589 | 10,982 | 7 | 8.38 |
| 1936 | 182,414 | 12,825 | 5 | 9.71 |

*After deducting provisions for taxes.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Guar. Trust acc. | 423,488 | 358,044 |
| Secured by: | | |
| Liquid assets | 211,400 | 145,173 |
| Mortgage & int. | 212,088 | 212,872 |
| Capital ac. assets | 193,000 | 188,811 |
| Total | 616,488 | 546,856 |
| Estates, etc. | 4,553,146 | 3,295,543 |

## Guardian Trust

Guardian Trust Co., with head office at Montreal, more than doubled its earnings in 1936, showing $7.13 a share against $3.10 a share in the preceding year. The company was incorporated in 1930, but at that time it acquired an established trust business which had been in operation since 1897.

The company pays 2% to 3% on guaranteed certificates, depending on the term. It has no debentures.

**Officers** — R. Stanger, pres.; S. Stanger, vice-pres. & sec.; J. B. Frosst, vice-pres.; P. A. Pinck, treas.

**Directors** — R. Stanger, S. Stanger, J. B. Frosst, H. Braff, J. H. Holden, H. W. Reynolds, C. W. Webster, P. S. Ross, J. O. Harris, S. C. Carpenter, P. A. Pinck.

**Shareholders' Position**

| | 1936 $ | 1935 $ |
|---|---|---|
| Rate earned per sh. | 7.13 | 3.10 |
| Net profits† | 8,837 | 3,850 |
| P. & L. surplus | 12,733 | 7,212 |

†Less investment reserve.

**Creditors' Position**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. certifs. | 9,247 | 10,140 |
| Trust funds | 7,200 | 10,200 |
| Total | 16,447 | 20,340 |
| Secured by: | | |
| Liquid assets | 9,247 | 14,798 |
| Mortgages | 7,200 | 10,200 |
| Net capital assets | 154,792 | 144,600 |
| | 171,239 | 169,598 |
| Estates, etc. | 6,629,016 | 6,531,034 |

## General Trust

One of the larger trust companies operating in the Quebec Field, General Trust Co. of Canada has its head office in Montreal where most of the company's business is in estates and agencies under administration. The earnings record has been favorable and in 1936 earnings were equal to $6.60 a share against dividend requirements of $6 a share. The $6 dividend has been paid without interruption since before 1931.

Expansion in the estates and agencies department of the company's business was reflected in a rise in this item from $42 millions in 1935 to $46.5 millions in 1936.

**Officers**—Hon. J. M. Wilson, pres.; Hon. D. O. L'Esperance and Beaudry Leman, vice-pres.; Rene Morin, gen. mgr. and sec.; L. Trottier, treas.

**Directors**—Hon. J. M. Wilson, Hon. D. O. L'Esperance. Beaudry Leman, L. J. Adjutor Amyot, J. Beaubien, L. E. Beaulieu. A. Terroux, J. T. Donohue, Sir J. G. Garneau, Mendoza Langlois, Hon. J. Nicol, Hon. J. E. Perrault, Hon. Donat Raymond, L. G. Ryan, Hon. G. A. Simard C. E. Taschereau, C. Laurendeau.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits $ | Div. *Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,105,000 | 85,574 | 6.00 | 7.78 |
| 1933 | 1,105,000 | 87,607 | 6.00 | 7.97 |
| 1934 | 1,105,000 | 69,743 | 6.00 | 6.34 |
| 1935 | 1,105,000 | 71,978 | 6.00 | 6.51 |
| 1936 | 1,105,000 | 72,683 | 6.00 | 6.60 |

Capital stock consists of $1,100,000 and $5,000 common.

*On preferred

**Pub. Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Guar. accounts | 3,678,530 | 1,315,595 |
| Secured by assets: | | |
| Liquid assets | 3,678,530 | 1,315,595 |
| Net capital ac. assets | 1,290,605 | 1,288,923 |
| Total | 4,969,135 | 2,604,518 |
| Estates, etc. | 46,588,526 | 42,066,104 |

## Guelph Trust

A subsidiary of Guelph and Ontario Investment and Savings Society, Guelph Trust Co. was established in 1917.

The annual dividend is $2.50 per share and earnings have covered this amount by a substantial margin for some years. In 1936 earnings on the $50 par value stock equalled $5.13 aaginst $4.72 in 1935.

The company issues guaranteed investment certificates from three, four and five years at 3½% per annum and certificates for one and two years at 3%. Interest is paid half-yearly. The company does not accept deposits.

**Officers**—W. E. Phin, pres.; R. L. Torrance, 1st vice-pres.; J. R. Howitt, 2nd vice-pres.; J. M. Purcell, man. dir.

**Directors**—W. E. Phin, R. L. Torrance, J. R. Howitt, J. R. Phin, J. J. Shaw, J. M. Purcell, J. Armstrong, G. A. Forbes.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 451,850 | 31,496 | 2.50 | 5.28 |
| 1933 | 461,850 | 29,830 | 2.50 | 4.95 |
| 1934 | 461,850 | 30,813 | 2.50 | 5.10 |
| 1935 | 461,850 | 28,406 | 2.50 | 4.72 |
| 1936 | 461,850 | 30,926 | 2.50 | 5.13 |

*Less taxes. †Par value of stock $50.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds | 525,523 | 526,505 |
| Secured by: | | |
| Liquid assets | 37,270 | 22,881 |
| Mortgages & int. | 488,254 | 503,624 |
| Net capital ac. assets | 498,871 | 492,996 |
| Total | 1,024,395 | 1,019,501 |
| Estates, etc. | 3,744,267 | 2,536,834 |

THE

**Yorkshire & Canadian Trust**

LIMITED

HEAD OFFICE, HUDDERSFIELD, ENGLAND

*Established 1887*

Canadian Head Office:

YORKSHIRE BUILDING, VANCOUVER, B.C.

A Complete Trust Service

REGISTRAR AND TRANSFER AGENTS

H. W. DYSON, President F. H. WRIGHT, Vice-President

W. L. WALDIE, Trust Officer

**The Brockville Trust and Savings Company**

Brockville, Ont., Canada

| | |
|---|---|
| Capital Authorized | $1,000,000.00 |
| Subscribed Capital | 500,000.00 |
| Paid-Up Capital | 500,000.00 |
| Reserve Fund | 200,000.00 |
| Investment Reserve | 90,664.87 |
| Undivided Profits | 8,302.94 |

*DIRECTORS*

J. Gill Gardner, *President*
A. Fullerton, *Vice-President*
L. C. Dargavel, *Managing-Director*
F. H. Fulford, F. I. Ritchie,
Rt. Hon. Geo. P. Graham, A. G. Parish, J. M. Dobbie,
Hon. A. C. Hardy, Geo. T. Fulford,
Hon. H. A. Stewart
E. J. Smith, *Secretary-Treasurer*

**REAL ESTATE LOAN CO.**

OF CANADA LIMITED

521 Confederation Life Bldg., Toronto 2, Ont.

| | |
|---|---|
| Capital Paid-up | $500,000 |
| Reserve | 250,000 |

4% Debentures are issued in all denominations of $100 and over for two to five years. These Debentures are an exceptionally safe investment with an attractive return.

*Loans on Improved Real Estate at Current Rates*

H. Wilberforce Aikins, *President* E. P. Beatty, *Vice-President* Charles A. Morris, *Managing Director*

## Gen. Trust & Executor Co.

Established in Halifax in 1929 with a Nova Scotia charter, General Trust and Executor Corp. will probably show net profits for the year ended Feb. 28, 1937, to be equal to those of the previous fiscal period, or possibly in excess of the previous total. The company earned 5.1% in the year ended Feb. 28, 1936, and paid 4% in dividends compared with earnings of 4.6% and dividends of 2% in the preceding year.

The company is paying 3½% per annum on guaranteed certificates and accepting money up to 10 years at that rate. Further expansion in guaranteed account will be shown this year, and a corresponding increase in mortgage investments. The company is experiencing a fairly steady demand for mortgage money for new construction and renovation.

**Officers and Directors** — H. W. Phinney, pres.; E. L. MacDonald and J. McConnell, vice-pres.; J. R. Machum, mgr. and sec.; G. McL. Daley, Hon. F. R. Davis, G. B. Isnor, R. J. MacAdam, F. H. Manning, C. S. Morton, W. D. Pierecey, W. R. Powell, C. L. Sanderson, L. E. Shaw, Lt.-Col. S. C. Oland, A. D. Smith, J. T. Cumming.

**Earnings Record**

| Yr. end. Feb. 28 | Paid-up Capital $ | Net Profits $ | Div. Rate % | Rate Earned % |
|---|---|---|---|---|
| 1931 | 173,899 | 3,458 | . | 1.9 |
| 1932 | 220,370 | 9,810 | . | 4.4 |
| 1933 | 229,829 | 10,038 | . | 4.3 |
| 1934 | [illegible] | [illegible] | . | [illegible] |
| 1935 | 252,300 | 11,703 | 2 | 4.6 |
| 1936 | 252,300 | 12,873 | 4 | 5.1 |

**Creditors' Position**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't certificates | 235,989 | 172,258 |
| Deposits | 3,190 | 2,107 |
| Total | 239,179 | 174,365 |
| Secured by: | | |
| Liquid assets | 232 | 282 |
| Mortgages | 238,947 | 174,083 |
| Net capital assets | 284,570 | 282,095 |
| Total | 523,749 | 456,460 |
| Estates, etc. | 522,637 | 459,466 |

Latest figures available.

## Grey and Bruce Trust

Dividends of 4% on the $50 par value stock of Grey and Bruce Trust and Savings Co., Owen Sound, Ontario, were earned in 1936 by a wide margin, net profits equalling $44,255 or 8.13%.

Improvement is reflected in all branches of the company's operations which have been marked by conservative management since 1887. The guaranteed trust account has shown a large increase in recent years and improvement continued in 1936. For each $1 on deposit there is now $1.04 in quick assets. Bondholdings have increased by $114,257 since the end of 1935.

**Officers**—C. A. Fleming. pres.; W. S. Middleboro, 1st vice-pres.; James Gardner, 2nd vice-pres.; O. E. Manning, gen. mgr.; W. M. Telford, sec.-treas.

**Directors**—C. A. Fleming, W. S. Middleboro, Dr. A. L. Danard, G. D. Fleming, James Gardner, Dr. G. H. Holmes, Dr. R. Howey, George J. Mills, G. D. McLauchlan, W. H. Taylor, O. E. Manning, E. N. Cooper.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate % | Rate Earned per sh % |
|---|---|---|---|---|
| 1932 | 636,605 | 34,204 | 4 | 6.28 |
| 1933 | 637,103 | 35,833 | 4 | 6.58 |
| 1934 | 637,678 | 45,558 | 4 | 8.37 |
| 1935 | 637,678 | 41,671 | 4 | 7.66 |
| 1936 | 637,678 | 44,255 | 4 | 8.13 |

Par value of stock $50.

*After reserve for taxes.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. certificates | 1,049,812 | 876,153 |
| Deposits, etc. | 929,058 | 861,755 |
| Total | 1,978,870 | 1,737,908 |
| Secured by: | | |
| Liquid assets | 1,021,479 | 934,013 |
| Mtges. & int. | 957,391 | 803,895 |
| Net cap. ac. assets | 699,077 | 689,144 |
| Total | 2,677,947 | 2,427,052 |
| Estates, etc. | 761,906 | 616,804 |

## The Industrial Mortgage & Trust Co.

Industrial Mortgage and Trust Company was incorporated as a building society in 1887 and a few years ago obtained trust company power. Most of the company's depositors and certificate holders are in the district where the company holds mortgage loans, chiefly in Lambton, Middlesex, Huron and Perth counties of Ontario. Head office is in Sarnia.

Net profits in 1936 were practically unchanged from the previous year, amounting to $2.52 against dividend requirements of $2.50 on the $50 par value stock. Investment certificates and deposits of $3.3 millions are higher compared with the $3 millions reported for 1935.

Ratio of the company's liquid assets to savings deposits is 107.4%. Reserve fund shows a reduction from $430,000 in 1935 to $335,000 at the end of 1936, bringing total of paid-up capital and reserves to $970,000 at the end of last year.

Growth in the company's estates account was noticeable in 1936, rising from $724,816 to $880,440.

**Officers**—J. Cowan, pres.; J. McFarlane, vice-pres.; W. R. Paul, man. dir.; B. Charlton, asst. mgr.

**Directors**—J. Cowan, M. McGugan, Jr., J. McFarlane, J. H. Anderson, W. J. Skinner, W. R. Paul, J. P. MacVicar, A. R. McKay, H. Lockhart, T. F. Cairns.

**Earnings Record**

| Year | Paid-up Capital & Reserves $ | Net Profits $ | Div. Rate $ | Rate Earned per sh $ |
|---|---|---|---|---|
| 1932 | 1,215,000 | 50,461 | 4.00 | 3.97 |
| 1933 | 1,165,000 | 15,658 | 2.50 | 1.23 |
| 1934 | 1,165,000 | 15,024 | 2.50 | 1.18 |
| 1935 | 1,065,000 | 32,141 | 2.50 | 2.53 |
| 1936 | 970,000 | 32,052 | 2.50 | 2.52 |

Par value of stock $50.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| Invest. certificates | 2,197,682 | 1,952,383 |
| Deposits | 1,084,243 | 1,026,726 |
| Total | 3,281,925 | 2,979,109 |
| Secured by: | | |
| Liquid assets | 1,539,584 | 1,012,076 |
| Mtges. & int. | 2,016,640 | 2,164,808 |
| Net cap. ac. assets | 907,150 | 989,847 |
| Total | 4,463,374 | 4,166,731 |
| Estates, etc. | 880,440 | 724,816 |

## Lambton Trust

Operating as a subsidiary of the oldest loan company in Canada, Lambton Trust Co. was formed in 1928 and its business consists exclusively of the management of estates, trusts and agencies. Activities are chiefly in the Sarnia, Ontario, district where the head office is located. Dividends have been paid since 1932 and the current rate is $2 per share on the $50 par stock.

**Officers**—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.; J. M. Hunt, mgr.

**Directors**—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, all of Sarnia; A. G. Minielly, Watford; R. M. E. McDiarmid, Alvinston; I. Greenizen, Petrolia.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 211,000 | 10,341 | 2.50 | 3.21 |
| 1933 | 211,000 | 17,720 | 2.00 | 2.40 |
| 1934 | 211,000 | 10,928 | 2.00 | 3.39 |
| 1935 | 210,000 | 8,897 | 2.00 | 2.76 |
| 1936 | 211,000 | 9,721 | 2.00 | 3.01 |

‡On paid-up capital. Par $50.

†Less income tax, year 1932, $1,424.

**Capital Account Net Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Liquid assets | 35,970 | 29,827 |
| Mortgages & int. | 196,905 | 199,829 |
| Total | 232,875 | 229,656 |
| Estates, etc. | 341,256 | 333,516 |

## London and Western Trusts

Organized in 1896, London and Western Trust Co. became a Dominion-wide institution in 1929 when it acquired Standard Trust Co. The company's office at Saskatoon was reopened and the Windsor, Ontario, branch extended in 1935. The head ofice of the company is in London, Ontario.

Earnings in 1936 increased to $3.99 a share on the paid-up capital compared with $2.93 a share in the preceding year, but no dividend was paid in either year. The last dividend was $6.50 paid in 1932.

The company does not sell debentures, but the rate on its guaranteed trust certificates is currently 3½% per annum for one or two years and 3¾% for three, four or five years.

Revenue from western assets were adversely affected by drought conditions in areas where the company does business but in 1936 these were more than offset by improvement in collections from Ontario mortgages.

**Officers**—Ronald Harris, chm. of board; Rt. Hon. Arthur Meighen, pres.; Ray Lawson and G. C. Gunn, vice-pres's.; John S. Moore, gen. mgr.

**Directors**—Ronald Harris, Rt. Hon. Arthur Meighen, Ray Lawson, G. C. Gunn, John S. Moore, G. H. Aikins, G. Montegu Black, Winnipeg; Brig.-Gen. J. A. Clark. Gordon Farrell, H. R. MacMillan, Major-Gen. J. W. Stewart, Vancouver; W. L. Duffield, Major G. Ingram, Judge Talbot Macbeth, A. McPherson, J. McClary Moore, J. E. Smallman, London, Ont.; W. P. Fess, Toronto; George Mair, Windsor, Ont.; W. G. Fisher, London, Ont.; E. W. Kneeland, Winnipeg; Philip Pocock, Col. G. E. Reid, J. G. Thompson, London, Ont.; Sigmund Samuel, Toronto.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,614,240 | 44,143 | 6½ | 3.64 |
| 1933 | 1,614,240 | 14,332 | .. | ‡1.18 |
| 1934 | 1,614,240 | 16,604 | .. | ‡1.37 |
| 1935 | 1,614,240 | 35,557 | .. | ‡2.93 |
| 1936 | 1,614,240 | 48,519 | .. | ‡3.99 |

†On average capital. ‡On paid-up capital.

*After deducting expenses of management, taxes, written off premises, etc. Also income tax reserve amounting to $3,500 in 1936; $4,500 in 1935; $6,375 in 1934; $4,600 in 1933; $9,500 in 1932.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Investment funds | 2,313,824 | 2,229,954 |
| Secured by: | | |
| Liquid assets | 590,738 | 536,446 |
| Mtges., agree., etc. | 1,723,086 | 1,693,508 |
| Net cap. ac. assets | 2,105,560 | 2,057,042 |
| Total | 4,419,384 | 4,286,996 |
| Estates, etc. | 37,478,511 | 36,558,620 |

## Maritime Trust

Earnings of Maritime Trust Co., Saint John, N.B., amounting to $3.04 a share in 1936, reached the highest point since 1930 and were ample for dividend requirements of $2. The company earned $2.75 a share in 1935 and paid $1.50 in dividends.

The company is one of the younger Maritime concerns in the trust field, but has expanded operations in recent years and in 1936 reported a striking increase in estates account. A branch is maintained at Fredericton and agencies at Charlottetown and Summerside.

**Officers** — H P. Robinson, pres.; F. C. Beatteay, vice-pres.; P. G. Clark, vice-pres.; H C. Wilson, mgr.

**Directors**—W. C. Allison, F. C. Beatteay, J. B. Dever, C. F. Inches, J. MacMurray, J. D. McKenna, A. N. McLean, R. H. McLean, A. P. Paterson, H. P. Robinson, all of Saint John; Hon. F. B. Black, Hon A. B. Copp. Sackville, N.B.; W. W. Boyce, L. S. Morrison, J. A. Reid, J. J. F. Winslow, Fredericton, N.B.; P. G. Clark, H. T Holman, Summerside, P.E.I.; G. P. Burchill, South Nelson, N.B.; H. A. Carr, Campbellton, N.B.; W. F. Fraser, New Glasgow, N.S.; Hon. G. B. Jones, Apohaqui, N.B.; E. W. Mair, Woodstock, N.B.; N. M. Mills, St. Stephen, N.B.; F. M. Ross, W. C. Pitfield, Montreal; G. J. Tweedy, R. E. Mutch, Charlottetown, P.E.I.; H. O'Leary, Richibucto, N.B.; F. R. Sumner, Moncton, N.B.

**Earnings Record**

| Year | Paid-up Capital $ | †Net Profits $ | Div. Rate* $ | Rate Earned* $ |
|---|---|---|---|---|
| 1932 | 135,100 | 5,570 | .. | 2.06 |
| 1933 | 135,100 | 5,963 | .. | 2.19 |
| 1934 | 135,100 | 6,462 | 1.50 | 2.38 |
| 1935 | 136,100 | 7,487 | 1.50 | 2.75 |
| 1936 | 136,100 | 8,294 | 2.00 | 3.04 |

*On subscribed capital, half of which is paid up.

†After income tax reserve.

**Capital Account Net Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Liquid assets | 172,443 | 171,470 |
| Other assets* | 3,153 | 14,719 |
| Total | 175,596 | 186,189 |
| Estates, trusts, etc. | 3,935,151 | 2,689,562 |

*Shareholders' subscriptions uncalled, $136,100 not included.

## Montreal Trust Co.

One of the largest trusts in Canada, Montreal Trust Co. has maintained steady earnings in the last three years and in 1936 also experienced marked expansion in its estates account which rose from $811 millions in 1935 to $823 millions at the end of last year.

Management is associated with the Royal Bank of Canada and revenue is derived largely from commissions on trust business. In addition to Canadian offices in most cities, the company maintains a branch in London, England.

**Officers**—Sir Herbert Holt, pres.; Hon. A. J. Brown, vice-pres.; F. G. Donaldson, vice-pres. and gen. mgr.; W. S. Greene and J. P. Angus, asst. gen. mgrs.

**Directors**—Sir Herbert Holt, Hon. A. J. Brown, R. Adair, J. E. Aldred, G. Caverhill, W. H. Coverdale, Hon. R. Dandurand, F. G. Donaldson, G. H. Duggan, A. E. Dyment, G. W. MacDougall, C. H. Carlisle, A. D. MacTier, Hon. G. W. Scott. J. S. Norris, Hugh Paton, F. W. Ross, J. C. Smith, R. V. Le Sueur, M. W Wilson, P. F. Sise, W. F. Angus, A. P. Holt, J. C. Newman, H. Crabtree.

**Executive Committee** — Sir Herbert Holt, Hon. A. J. Brown, G. Caverhill, M. W. Wilson, G. H. Duggan, F. G. Donaldson,

**Branch Offices**—Halifax, Toronto, Winnipeg, Edmonton, Vancouver, London, Eng.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate % | Rate Earned per sh. % |
|---|---|---|---|---|
| 1932 | 4,500,000 | 464,311 | 17 | 23.2 |
| 1933 | 4,500,000 | 354,653 | 16 | 17.7 |
| 1934 | 4,500,000 | 388,685 | 16 | 19.4 |
| 1935 | 5,000,000 | 395,908 | 16 | 19.8 |
| 1936 | 5,000,000 | 386,105 | 16 | 19.3 |

*Tax arrears and subscription to hospital deducted.

**Creditors' Position**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds | 17,609,862 | 15,807,348 |
| Secured by assets: | | |
| Liquid assets | 17,609,862 | 15,807,348 |
| Capital acc. assets | 5,167,536 | 5,111,431 |
| Total | 22,777,398 | 20,918,779 |
| Estates, etc. | 823,159,545 | 811,424,729 |

## National Trust

Operations of National Trust Co. are among the widest of any Canadian company in the trust field. Incorporated in Ontario in 1898, National Trust has branches located in the principal cities of the Dominion and also maintains an office in London, England.

Although earnings declined slightly from $8.69 in 1935 to $8.61 a share in 1936, net profits were sufficient to pay the annual $8 dividend and to increase profit and loss account from $379,371 to $397,836 after management costs, directors' fees, contingencies and taxes.

Trust certificates in the hands of the public now stand at $3.7 millions and during 1936 mortgages were reduced from $11.1 millions to $10.6 millions.

Estates under administration have increased recently and this branch of the company's business showed a gain from $244 millions in 1935 to $249 millions at the end of 1936.

**Officers**—Sir Joseph Flavelle, chm. of board; W. E. Rundle, pres.; E. R. Wood, Herbert C. Cox, Leighton McCarthy, Rt. Hon. Sir Thomas White, vice-pres.; J. M. Macdonnell, gen. mgr.; J. C. Breckenridge, gen. supt.; F. R. MacKelcan, counsel Corporate Trust dept.; W. M. O'Connor, mgr. Toronto office; W. G. Davidson, sec.; C. Huckvale, treas.

**Directors** — Sir Joseph Flavelle, W. E. Rundle, E. R. Wood, Herbert C. Cox, E. M. Saunders, Sir John Aird, Rt.-Hon. Sir Thomas White, Miller Lash, Leighton McCarthy, J. A. McLeod, G. A. Morrow, A. N. Mitchell, E. G. Long, Hon. Frank P. O'Connor, all of Toronto; H. B. Walker, W. M. Birks, Aimé Geoffrion, C. Riordon, William Leggat, Walter Molson, Edward Fitzgerald, of Montreal; A. McT. Campbell, George W. Allan, W. H. McWilliams, James A. Richardson, of Winnipeg; H. J. Fuller, New York; George W. McLaughlin, Oshawa; W. G. Morrow, Peterborough; F. F. Dalley, T. C. Haslett, D'Arcy Martin, C. S. Wilcox, G. H. Levy, of Hamilton.

**Branch Offices**—Toronto, Montreal, Hamilton, Winnipeg, Saskatoon, Edmonton.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits $ | Div. *Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 6,000,000 | 381,838 | 12½ | 12.72 |
| 1933 | 6,000,000 | 266,415 | 8½ | 8.88 |
| 1934 | 6,000,000 | 300,476 | 8 | 10.01 |
| 1935 | 6,000,000 | 260,785 | 8 | 8.69 |
| 1936 | 6,000,000 | 258,465 | 8 | 8.61 |

*After cost of management, directors' and auditors' fees, contingencies, etc., and provision for taxes.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust certificates | 3,672,083 | 4,257,272 |
| Deposits | 17,660,977 | 18,071,802 |
| Total | 21,333,060 | 22,329,074 |
| Secured by assets: | | |
| Liquid assets | 10,713,113 | 11,101,488 |
| Mortgages & int. | 10,619,947 | 11,227,586 |
| Net capital acc. assets | 6,397,836 | 6,379,371 |
| Total | 27,730,896 | 28,708,445 |
| Estates, etc. | 249,514,726 | 244,142,349 |

## Northern Trusts

Earnings of Northern Trust Co., Winnipeg, reflect unsatisfactory conditions in the west but in 1936 the company was able to earn 53 cents a share or about double the earnings of 1935. No dividend has been paid since 1913.

The company is an old-established western organization, originally incorporated in 1902 although a Dominion charter was not obtained until 1923.

**Officers**—R. T. Riley, pres.; W. A. Murphy, vice-pres.; C. S. Riley, man. dir.; J. H. Riley, head office mgr.; M. J. Marshall, treas.; Wm. Milton, sec.; H. C. M. Brown, Regina branch mgr.; J. S. McMurchy. Calgary branch mgr.

**Directors**—R. T. Riley, D. K. Elliot, C. S. Riley, Geo. W. Allan, N. J. Breen, J. A. Crowe, C. C. Ferguson, R. J. Gourley, W. A. Murphy, H. B. Lyall, S. T. Smith, J. H. Turnbull, R. R. Wilson, Winnipeg; W. H. Malkin, Vancouver.

**Branch Offices**—Regina, Calgary.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,800,000 | 35,333 | 0.50 | ... |
| 1933 | 1,800,000 | 12,043 | ... | ... |
| 1934 | 1,750,000 | 5,836 | ... | ... |
| 1935 | 1,108,725‡ | 7,798 | ... | 0.26 |
| 1936 | 1 097,435 | 15,965 | ... | 0.53 |

‡After reorganization.

*After all management expenses, fees, taxes, etc.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Guaranteed funds | 1,390,708 | 1,579,143 |
| Trust funds | 692,608 | 654,445 |
| Total | 2,083,316 | 2,233,588 |
| Secured by assets: | | |
| Liquid assets | 11,245 | 5,679 |
| Mtge. & sale agree. | 2,072,071 | 2,227,909 |
| Net cap. acct. assets | 1,169,273 | 1,164,598 |
| Total | 3,252,589 | 3,398,186 |
| Estates, etc. | 15,350,816 | 14,851,352 |

## Nova Scotia Trust

Incorporated in 1912, Nova Scotia Trust Co., Halifax, operates under provincial charter and its mortgage investments are entirely in Nova Scotia.

Earnings in the year ended Feb. 28, 1936, were $11.51 a share compared with $12.13 in the previous fiscal period and the annual dividend of $7 was covered by a comfortable margin.

The company pays 3% on first mortgage certificates and guaranteed investment certificates for a term up to and including three years, and 3½% per annum from four to 10 years.

**Officers and Directors** — M. S. Clarke, pres.; B. P. Saunders, vice-pres.; T. W. Murphy, vice-pres.; R. W. Elliot, man. dir.; G. R. Harrison, sec.; C. W. Anderson, Wm. Chisholm, R. A. Corbett, Hon. W. H. Dennis, G. E. Graham, L. A. Lovett, G. H. Murphy, J. A. Young, Lt.-Col. A. N. Jones.

**Shareholders' Position**

| Year end. Feb. 28: | 1936 $ | 1935 $ |
|---|---|---|
| Rate earn. per sh. | 11.51 | 12.13 |
| Divs. paid per sh. | 7.00 | 7.00 |
| Net profits | 54,553 | 57,581 |
| P. & L. surplus | 15,523 | 15,958 |

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| Certif. & deposits | 1,230,942 | 1,363,692 |
| Secured by: | | |
| Liquid assets | 54,530 | 99,330 |
| Mortgages | 1,176,412 | 1,264,362 |
| Net cap. assets | 670,224 | 660,658 |
| | 1,901,166 | 2,024,350 |
| Estates, etc. | 6,135,809 | 6,211,821 |

Latest figures available.

## Occidental Trust Co.

Business of the Occidental Trust Co., with head office at Wawanesa, Man., is local in character and operations are not on a large scale. The company has no liabilities to the public.

**Officers**—R. Wallace, pres.; G. H. Stephens, vice-pres.; E. L. McDonald, sec.-treas

**Directors**—S H. Henderson, E. L. McDonald, C. M. Vanstone, G. H. Stephens. R. Wallace

**Shareholders' Position**

| | 1935 $ | 1934 $ |
|---|---|---|
| Rate earn per sh. | 4.23 | 4.77 |
| Divs. paid per sh. | nil | nil |
| Net profits | 5,624 | 6,335 |
| P. & L. surplus | 29,611 | 29,298 |

Latest figures available.

## Osler and Nanton Trust

Osler and Nanton Trust Co., Winnipeg, is controlled by Osler, Hammond and Nanton Ltd. No earnings statement is issued by the company or Osler, Hammond and Nanton Ltd., which acts as manager of the trust company. Assets stood at $4.8 millions at the end of 1935, latest date for which figures are available.

**Directors**—H. F. Osler, pres.; C. M. Taylor. vice-pres.; E. A. Nanton, H. Ford, C. F. Joyce.

| Year End. June 30: | 1935 $ | 1934 $ |
|---|---|---|
| Capital | 650,000 | 650,000 |
| Reserves | 130,759 | 127,361 |
| Capital assets | 939,382 | 936,905 |
| Estates, etc. | 3,904,419 | 3,866,257 |
| Total assets | 4,843,800 | 4,803,163 |

Paid-up capital stock is entirely controlled by Osler, Hammond & Nanton, who are the general managers.

Latest figures available.

## Prudential Trust

Commencing business in Montreal under a federal charter in 1910, Prudential Trust Co. Ltd. reorganized its capital structure in 1930 and previous losses were written off. In 1934, $175,270 was transferred to surplus on reduction of the capital stock to $10 a share. The operations of the company consist chiefly of estates, trusts and agencies. During 1935, latest date for which figures are available, the company reported a net loss of $14,485 against net profits of $4,176 in 1934.

**Officers** — Henry N. Chauvin, pres.; P. Galibert, vice-pres.; F. S. Taylor, gen. mgr.; A. Hall, sec.-treas.

**Directors** — H. N. Chauvin, Hal. Macd. Brown, P. Galibert, Hon. F. Carrel, G. G. Hyde, G. H. Cook, Dr. E. M. Desaulniers, W. D. Robb, P. E. Boivin, Hon. A. R. Gould, D. J. Spence.

**Shareholders' Position**

| | 1935 $ | 1934 $ |
|---|---|---|
| Rate earn. per sh. | ...... | 0.24 |
| Net profits | *14,485 | 4,176 |
| P. & L. surplus | 95,356 | 109,841 |

*Loss.

Latest figures available.

## Premier Trust

Acquired by a Toronto financial group in 1931, where its head office is now located, Premier Trust Co. absorbed Imperial Trust Co. in 1934 and since control was acquired by the Toronto interests earnings have shown a consistent increase. Premier Trust was formerly located at London, Ontario.

Further expansion in estates account took place in 1936 when the figure rose to $11.5 million compared with $11.2 millions in 1935.

**Officers and Directors**—
Everett Bristol, pres.; W. Heaman, vice-pres.; T. B. Holmes, gen. mgr.; N. S. Watt, sec.; J. W. Westervelt, Dr. J. Dearness, A. W. Peene.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1934 | 597,583 | 23,496 | 5+.50 | 5.60 |
| 1935 | 625,854 | 27,882 | 5 | 5.26 |
| 1936 | 737,977 | 33,945 | 5 | 5.70 |

*After deducting provision for taxes.

†On average capital.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. certificates | 901,049 | 752,920 |
| Deposits | 872,536 | 741,212 |
| Total | 1,773,585 | 1,494,132 |
| Secured by: | | |
| Liquid assets | 1,224,540 | 952,495 |
| Mortgages & int. | [illegible]47,792 | 538,608 |
| Net capital acct. assets | 747,460 | 631,626 |
| Total | 2,519,792 | 2,122,729 |
| Estates, etc. | 11,535,896 | 11,217,910 |

## Royal Trust

Royal Trust Co., with head office in Montreal, earned $5 a share on its $20 par value stock in 1936, the highest figure since 1931 or earlier. Earnings represented an increase of 25 cents a share over 1935 earnings but dividends remained the same at $3.20. But a bonus of 40 cents a share was paid on Jan. 30, 1937.

Expansion in trust funds account from $6.8 millions to $9 millions and an increase in liquid assets from $5.7 millions to $8.2 millions were features of the company's operations in 1936. Mortgages were sharply reduced from $1.1 millions to $699,793. Estates account showed further gains from $748 millions to $762 millions.

The company commenced business in 1892 and is now one of the largest trusts in Canada. It has 11 branches in Canada and maintains offices in St. John's, Newfoundland, and London, England.

**Officers**—Sir Charles B. Gordon, pres.; H. R. Drummond, vice-pres.; R. P. Jellett, gen. mgr.; Ross Clarkson, asst. gen. mgr.; G. T. Bogert, supt. of branches.

**Directors** — Hugh A. Allan, D. Forbes Angus, Hon. C. C. Ballantyne, Sir E. W. Beatty, Jackson Dodds, W. A. Bog, N. J. Dawes, C. W. Dean, H. R. Drummond, Sir Charles B. Gordon, A. E. Holt, J. W McConnell, Ross H. McMaster, F. E. Meredith, Lt.-Col. Herbert Molson, C. F. Sise, Walter M. Stewart, Montreal; Hon. Thomas Ahearn, Ottawa; Hon. Henry Cockshutt, Brantford; Major-Gen. The Hon. S. C. Mewburn, Hamilton; Britton Osler, W. N. Tilley, Toronto; R. S. McLaughlin, Oshawa; Hon. L. A. Taschereau, Quebec; Sir Frederick Williams-Taylor, London, Eng.

**Branch Offices** — Montreal, Calgary, Edmonton, Halifax, Hamilton, Ottawa, Quebec, Saint John, N.B., St. John's, Nfld., Toronto, Vancouver, Victoria, Winnipeg, London, Eng.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 5,750,000 | 393,887 | 3.20 | 3.94 |
| 1933 | 5,750,000 | 403,291 | 3.20 | 4.03 |
| 1934 | 6,000,000 | 483,901 | 3.20 | 4.84 |
| 1935 | 6,000 000 | 475,140 | 3.20 | 4.75 |
| 1936 | 6,000,000 | 500,116 | ‡3.20 | 5.00 |

†In Feb., 1930, par value of shares was reduced from $100 to $20.

*After all expenses and providing for all contingencies and taxes.

‡Plus bonus 40 cents a share paid Jan. 30, 1937.

**Public Liabilities and Assets**

| | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds, etc. | 8,911,348 | 6,756,594 |
| Secured by: | | |
| Liquid assets | 8,211,555 | 5,646,191 |
| Mortgages & int. | 699,793 | 1,110.403 |
| Net capital acc. & assets | 6,754,308 | 6,574,192 |
| Total | 16,665,656 | 13,330,786 |
| Estates, etc. | 762,545,166 | 748,846,875 |

## Société Nationale de Fiducie

Operating since 1918, with head office in Montreal, the company has an impressive earnings record and in 1936 showed earnings of 32.29% against dividends of 10%, the same dividend rate paid in each year since 1931 or earlier.

**Officers**—V. Morin, pres.; Guy Vanier, 1st vice-pres.; J. V. Desaulniers, 2nd vice

(Continued from page 13)

**GUELPH and ONTARIO**

Investment and Savings Society

Incorporated A.D. 1876

Deposits Received Debentures Issued

J. R. HOWITT, K.C., *President* J. M. PURCELL, *Managing Director*

*Head Office:* GUELPH, ONTARIO

THE GUELPH TRUST CO.

W. E. PHIN, *President*

is under the same management and acts as Executor, Administrator, Trustee, etc.

*Head Office:* GUELPH, ONTARIO

**Westminster Trust Company**

B.C.'s OLDEST PROVINCIAL TRUST COMPANY

Offers to Firms and Individuals

. . . . a complete Trust Company service, through its Trust • Real Estate • Investment • Insurance • Savings and Safe Deposit Departments • a service founded on years of experience in the management of Personal and Corporate Trusts •

Head Office
New Westminster, B.C.

THE

**STERLING TRUSTS**

CORPORATION

DIRECTORS AND OFFICERS

President
W. H. WARDROPE, K.C.

Vice-Presidents
A. W. BRIGGS, K.C. NORMAN SOMMERVILLE, K.C.

Vice-President and General Manager
CHAS. BAUCKHAM

W. H. ADAMSON DR. J. W. RUTHERFORD, M.P.
JOHN HALLAM W. A. BOYS, K.C.
W. H. McEWEN, K.C. C. H. BURGESS
LORNE JOHNSON DR. S. J. BOYD

James R. Lovatt, Secretary
J. M. Smillie, Mortgage Officer
V. H. Edwards, Manager, Real Estate Dept.
L. Martin, Transfer Officer
E. R. Meredith, Estates Officer
M. R. Grant, Travelling Representative
H. Young, Rentals Officer
J. W. Paterson, Property Manager

**THE WATERLOO TRUST AND SAVINGS COMPANY**

| | |
|---|---|
| Capital and Reserves | $1,400,000.00 |
| Assets | $15,900,000.00 |

*DIRECTORS*

FORD S. KUMPF, *President*
President, The Dominion Life Assurance Company

LOUIS L. LANG, *Vice-President*
President, The Lang Tanning Company, Limited
Vice-President, The Mutual Life Assurance Company of Canada

HENRY KNELL, *Vice-President*,
President, Economical Mutual Fire Insurance Company

R. O. McCULLOCH,
President, The Mutual Life Assurance Company of Canada
Director, Imperial Bank of Canada

THOS. W. SEAGRAM,
Vice-President, Frowde Limited

GEORGE A. DOBBIE,
President, Stauffer Dobbie Co. Ltd.
Vice-President, The Dominion Life Assurance Company

P. R. HILBORN,
President, The Preston Furniture Company

W. H. SOMERVILLE,
Managing-Director, The Mutual Life Assurance Company of Canada

H. J. SIMS, K.C.,
Solicitor to The Mutual Life Assurance Company of Canada
Director, Economical Mutual Fire Insurance Company

FRED HALSTEAD,
Special Agent

J. E. FROWDE SEAGRAM,
Director, Dominion Life Assurance Company

W. L. HILLIARD, M.D.,
Medical Director, Ontario Equitable Life Insurance Co.

P. V. WILSON, *Managing-Director*

EQUIPPED TO ACT IN ALL TRUST CAPACITIES

WATERLOO KITCHENER GALT PRESTON

# Trust Companies (Continued)

(Continued from page 12)

pres., directing mgr. and sec.; H. Ouimet, asst. mgr. and asst. sec.

**Directors** — V. Morin, Guy Vanier, J. V. Desaulniers, Hon. C. Laurendeau, J. A. Bariteau, A. Lachapelle, H. Cypihot, V. E. Beaupre, J. E. Laforce.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits $ | Div. Rate % | Earned on pd. Capital % |
|---|---|---|---|---|
| 1932 | 275,000 | 43,272 | 10 | 34.60 |
| 1933 | 275,000 | 31,946 | 10 | 25.50 |
| 1934 | 275,000 | 37,814 | 10 | 30.25 |
| 1935 | 285,000 | 38,187 | 10 | 30.55 |
| 1936 | 337,500 | 40,359 | 10 | 32.29 |

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Trust funds | 266,853 | 435,597 |
| Deposits | 255,174 | 209,942 |
| Debentures | 122,137 | 122,138 |
| Total | 644,164 | 767,677 |
| Secured by: |  |  |
| Liquid assets | 494,028 | 603,739 |
| Mortgages & int. | 28,000 | 41,800 |
| Net cap. acct. assets | 509,136 | 429,949 |
| Total | 1,031,164 | 1,075,488 |
| Estates, etc. | 13,846,765 | 14,289,109 |

## Sterling Trusts

Incorporated in 1911 under Dominion charter, Sterling Trusts Corp. has its head office in Toronto and a branch office in Regina.

Dividends were discontinued in 1933 and resumed last year with payment of $1 per share out of earnings equal to $2.85 per share on the company's average capital during the year. Earnings in 1935 equalled $2.57 per share.

Investment certificates on deposit are higher at $1.7 million and estates accounts has risen to above $10 millions.

Sterling Trusts Corp. pays 3% on one year investments; 3¼% on two year investments; 3½% for three and four year and 3¾% for five year investments. In 1936 a marked increase was recorded in mortgage accounts which rose from $1.1 million to $1.4 million. Liquid assets were lower at $250,309.

**Officers**—W. H. Wardrope, pres.; A. W. Briggs and N. Sommerville, vice-pres.; C. Bauckham, vice-pres. and man. dir.; J. R. Lovatt, sec.; L. Johnson, mgr., Regina branch.

**Directors** — W. H. Wardrope, Hamilton; A. W. Briggs, N. Sommerville, C. Bauckham, J. Hallam, C. H. Burgess, W. H. Adamson, all of Toronto; Dr. J. W. Rutherford, Chatham; W. A. Boys, Barrie; L. Johnson and W. H. McEwen, Regina; Dr. S. J. Boyd, Newmarket.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 929,944 | 32,981 | 4 | 4.17 |
| 1933 | 937,890 | 16,383 | 2 | 2.07 |
| 1934 | 924,898 | 8,745 | .. | 1.10 |
| 1935 | 815,085 | 20,308 | .. | 2.57 |
| 1936 | 815,085 | 22,550 | 1 | 2.85 |

†On average capital. *Less taxes.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Invest. certificates | 1,337,215 | 1,148,010 |
| Deposits | 326,005 | 331,436 |
| Total | 1,663,220 | 1,479,446 |
| Secured by assets: |  |  |
| Liquid assets | 250,309 | 362,968 |
| Mortgages & int. | 1,412,912 | 1,116,478 |
| Net cap. acc. assets | 840,423 | 825,775 |
| Total | 2,503,644 | 2,305,221 |
| Estates, etc. | 10,009,401 | 10,682,450 |

## Sun Trust

Sun Trust Co. Ltd. has its head office in Montreal and its management includes well-known businessmen. In 1935 the company earned $6.66 per share against dividend requirements of $6 a share, but no earnings figures are yet available for the 1936 period.

**Officers**—A. Vallee, pres.; J. Simard, A. Hudon and J. A. Brillant, vice-pres.; C. Fournier, treas.; Aime Parent, gen. mgr.; J. A. Fugere, mgr. at Quebec.

**Directors** — A Vallee, J. A. Simard, A. Hudon, J. A. Brillant, O. Dufresne, J. A. E. Gauvin, J. C. Hebert, Hon. R. Grothe, C. Delagrave, J. E. Labelle, Hon. L. Moraud.

**Shareholders' Position**

|  | 1935 $ | 1934 $ |
|---|---|---|
| Rate earn. per sh. | 6.66 | 5.70 |
| Divs. paid per sh. | 6.00 | 6.00 |
| Net profits | 16,645 | 14,253 |
| P. & L. surplus | 26,669 | 25,355 |

**Creditors' Position**

|  | 1935 | 1934 |
|---|---|---|
| Deposits | 666,048 | 229,210 |
| Secured by: |  |  |
| Liquid assets | 504,859 | 150,932 |
| Mortgages | 161,188 | 78,278 |
| Net cap acct. assets | 357,129 | 365,142 |
| Total | 1,023,176 | 594,352 |
| Estates, etc. | 37,112,506 | 30,089,214 |

Latest figures available.

## Sherbrooke Trust

In business since 1874, Sherbrooke Trust Co. has shown a steady growth in volume of business and in 1936 sharply increased its earnings per share from $6.97 to $9.61. The company's head office is in Quebec.

Debentures and deposits were increased in 1936 to $1.7 millions, covered by assets of $2.2 millions compared with $2.1 millions in 1935. A moderate growth in estates business is reflected in a total for this account of $3,986,181. The company pays a dividend of $6 per year.

**Officers** — J. MacKinnon, pres.; Chenier Picard, vice-pres.; P. M. Robins, sec.-treas.; R. Du Berger and A. W. Kerridge, asst. sec.-treas.

**Directors**—J. MacKinnon, H. E. Goodhue, Hon. J. Nicol, Chenier Picard, F. S. Rugg, F. A. Briggs, D. J. Salls.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | †Net Profits $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 460,000 | 26,464 | 6 | 8.82 |
| 1933 | 460,000 | 31,591 | 6 | 10.53 |
| 1934 | 477,000 | 29,124 | 6 | 9.70 |
| 1935 | 484,000 | 20,910 | 6 | 6.97 |
| 1936 | 493,500 | 28,851 | 6 | 9.61 |

†After taxes and depreciation on premises and furniture as follows: $5,127 in 1936; $5,107 in 1935; $5,079 in 1934; $5,040 in 1933; $5,028 in 1932.

**Creditors' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Debentures | 373,119 | 373,846 |
| Deposits | 1,308,477 | 1,217,045 |
| Total | 1,681,596 | 1,590,890 |
| Secured by assets: |  |  |
| Liquid assets | 793,653 | 695,566 |
| Mortgages | 1,188,095 | 1,198,019 |
| Net cap. acct. assets | 238,263 | 217,535 |
| Total | 2,220,011 | 2,111,120 |
| Estates, etc | 3,986,181 | 3,902,254 |

## Sterling Trust of B. C.

Most of the investments of Sterling Trust Co. of B.C., are in mortgages and its assets at the close of 1935 were $300,000. It is one of the smaller trust companies operating in British Columbia and maintains its head office at Vancouver.

**Officers and Directors**—J. D. Hall, pres.; A. C. J. Weeks, vice-pres. & treas.; V. M. Warren, sec.; R. B. Warren, C. J. Loewen.

**Shareholders' Position**

|  | 1935 $ | 1934 $ |
|---|---|---|
| Rate earned per sh. | 1.82 | 1.94 |
| Divs. paid per sh. | 2.00 | 2.00 |
| Net profits | 2,530 | 2,697 |
| P. & L. surplus | 14,392 | 14,586 |

Latest figures available.

## Toronto General Trusts

One of the oldest and largest companies in its field in Canada, Toronto General Trusts Corp. was incorporated in 1872 and has experienced steady growth through periods of varying business conditions.

The company's earnings in 1936 were equal to $7.49 a share, representing the third successive increase since 1933 and covering the annual dividend of $4 by a wide margin. The company's liabilities to the public amount to $20.6 millions in the form of investment certificates and deposits and these are secured by assets in excess of $25 millions.

The estates account of the company showed further expansion in 1936, rising from $209 millions at the end of 1935 to $215 millions in 1936.

**Officers**—Thomas Bradshaw, pres.; Hon. Charles McCrea, vice-pres.; W. G. Watson, gen. mgr.; H. M. Forbes, G. Lindsay, asst. gen. mgrs.; T. J. Maguire, mgr. Toronto office; J. W. Burgess, compt.; J. W. Langmuir, sec.; A. B. Curtis, trust officer; H. B. Morphy, supt. stock and bond dept.; C. W. Nicholson, supervisor of branches; James Lang, estates mgr.; J. H. A. Burt, H. A. Calder and H. W. Johnston, asst. sec.

**Directors**—Hon. G. Howard Ferguson, C. S. MacDonald, Hon. Charles McCrea, Alexander Fasken, Col. John F. Michie, H. H. Williams, Col. Arthur L. Bishop, Thomas Bradshaw, Arnold C. Matthews, A. H. Campbell, F. Barry Hayes, S. J. Moore, Albert Matthews, A. E. Phipps, C. S. MacInnes, W. G. Watson, T. A. Russell, W. K. Fraser, all of Toronto; Hon. A. C. Hardy, Brockville; Isaac Pitblado, Winnipeg; Alexander Maclaren, Buckingham, Que.; Paul J. Myler, Hamilton.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 6,000,000 | 341,871 | 10.50 | 11.40 |
| 1933 | 5,000,000 | 230,955 | 7 | 7.70 |
| 1934 | 4,500,000 | 185,069 | 6 | 6.17 |
| 1935 | 4,500,000 | 191,774 | 5 | 6.39 |
| 1936 | 4,500,000 | 224,784 | 4 | 7.49 |

*After all management expenses, directors' fees, advertising, rents, tax reserve, and all other charges or contingencies.

†Before appropriations for premises and equipment.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Invest. certificates | 14,190,557 | 15,370,006 |
| Deposits | 6,441,126 | 6,328,932 |
| Total | 20,631,683 | 21,698,938 |
| Secured by assets: |  |  |
| Liquid assets | 6,610,798 | 6,993,517 |
| Mtges. & int. | 14,020,884 | 14,705,421 |
| Net capital acct. assets | 4,706,277 | 4,651,493 |
| Total | 25,337,959 | 26,350,431 |
| Estates, etc. | 215,340,916 | 209,026,346 |

## Trusts and Guarantee

With a record of business operations dating back to 1897, Trusts and Guarantee Co., Ltd., reported lower earnings in 1936, equal to $2.64 a share but these were sufficient to cover the dividend requirements of $2 a share. The company paid $3 in 1935.

Increased assets at the end of 1936 reflected a gain in capital account and there was also expansion in the company's estates business, indicated by a rise from $45 millions in this item to $46.8 millions at the end of 1936.

Head office of the company is in Toronto and it operates branches in Winnipeg, Calgary, Windsor and Brantford.

**Officers** — J. J. Warren, C. S. Hamilton, vice-pres. and gen. mgr. of Eastern branches; H. A. Howard, vice-pres. and gen. mgr. of Western branches; J. E. Robinson, sec.; R. S. Anderson, treas.; C. D. Henderson, J. H. Whitehead, estates mgr.; S. A. Smyth, transfer officer; R. W. Roberts, Brantford branch mgr.; O. N. Birchard Windsor branch mgr.; A. B. Hornby, act. mgr., Winnipeg.

**Directors** — J. J. Warren, Herbert Begg, D. J. McDougald, A. L. Smith, C. S. Hamilton, Thayer Lindsley, F. J. Crawford, E. G. Wills, G. W. Nicholson, Toronto; W. D. Bell, Chesley, Ont.; H. A. Howard, Calgary; Col. S. C. Robinson, Walkerville; Col. Ernest Wigle, Windsor; J. B. McMartin, Montreal; Major Edmund Sweet, Brantford; W. M. Archibald, Creston, B.C.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,977,877 | 86,977 | 4 | 4.40 |
| 1933 | 2,547,887 | 70,442 | 3 | †3.56 |
| 1934 | 2,548,287 | 94,197 | 3 | 3.70 |
| 1935 | 2,548,287 | 83,605 | 3 | 3.28 |
| 1936 | 2,548,287 | 67,124 | 2 | 2.64 |

†On capital of $1,977,887 outstanding until purchase of Union Trust Co. as of Dec. 31, 1933.

*After deducting cost of management, advertising, general expenses, salaries, directors' and auditors' fees and taxes.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Invest. certificates | 7,046,356 | 7,097,064 |
| Deposits | 2,967,878 | 2,771,385 |
| Total | 10,014,234 | 9,868,449 |
| Secured by amts.: |  |  |
| Liquid assets | 2,642,988 | 2,574,290 |
| Mtgs. & int. | 6,971,610 | 6,930,437 |
| Real estate for sale | 399,635 | 363,722 |
| Net capital ac. assets | 2,703,364 | 2,687,206 |
| Total | 12,717,597 | 12,555,655 |
| Estates, etc. | 46,769,345 | 45,173,452 |

## Trust and Loan of Can.

Oldest company in Canada loaning money on first mortgages, Trust and Loan of Canada was incorporated in 1843 and by royal charter in 1845. The head office is in London, England, and offices are also maintained in Montreal and Winnipeg.

Capital stock was changed in 1936. Ordinary shares of £2 were converted into one 5% non-cumulative preferred share of £1 and one ordinary share of £1. For the year ended March 31, 1936, the company reported net profit of £25,901 against £10,134 in the preceding fiscal period.

**Officers and Directors** — Rt. Hon. L. S. Amery, pres.; J. H. Newcomb, M. Balfour, P. Lindenberg, R. C. Young, C. R. Snowden, sec.

**Shareholders' Position**
**Year End. Mar. 31**

|  | 1936 | 1935 |
|---|---|---|
| Rate earn. per sh. | 1.29% | 0.64% |
| Divs. paid per sh. | nil | nil |
| Net profits | £25,901 | £10,134 |
| P. & L. surplus | £828 | £1,729 |

Latest figures available.

## Victoria Trust

Victoria Trust and Savings Co., Lindsay, Ontario, has earned its dividends by a comfortable margin for some years and in 1936 earned $6.84 per share against dividend requirements of $6 per share.

The company was incorporated in 1887 under the Ontario Building Securities Act and was later given trust company powers. Mortgages to a total of $5.6 millions are held largely in Ontario with a few in the west.

Investment certificates of the company and its deposits rose from $6.3 millions to $6.5 millions in 1936, secured by $8.2 millions of assets against $8 millions in the preceding year. Liquid assets showed a sharp gain in 1936.

**Officers**—W. Flavelle, pres.; T. H. Stinson and H. J. Lytle, vice-pres.; C. E. Weeks, mgr.; N. Smale, asst. mgr.; G. H. Shipman, Cannington; G. A. Weeks, estates mgr.

**Directors**—W. Flavelle, H. J. McLaughlin, H. J. Lytle, J. B. Begg, W. Walden, T. H. Stinson, C. E. Weeks, W. E. Reesor.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh $ |
|---|---|---|---|---|
| 1932 | 1,695,000 | 99,351 | 10 | 12.26 |
| 1933 | 1,695,000 | 64,553 | 8 | 7.97 |
| 1934 | 1,695,000 | 52,641 | 6½ | 6.50 |
| 1935 | 1,695,000 | 55,055 | 6 | 6.80 |
| 1936 | 1,695,000 | 55,436 | 6 | 6.84 |

*Reserve for federal taxes and amount written off premises deducted.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Invest. certificates | 5,046,077 | 4,889,442 |
| Deposits | 1,517,798 | 1,417,295 |
| Total | 6,563,875 | 6,306,737 |
| Secured by assets: |  |  |
| Liquid assets | 997,538 | 744,922 |
| Mortgages & int. | 5,568,337 | 5,561,815 |
| Net capital ac. assets | 1,710,698 | 1,703,863 |
| Total | 8,276,573 | 8,010,600 |
| Estates, etc. | 957,340 | 964,276 |

## Waterloo Trust

Commencing business as a loan company under an Ontario charter in 1913, but later granted trust company powers, Waterloo Trust and Savings Co., of Waterloo, Ontario, has a consistent earnings record with net profits per share almost double annual dividend requirements in the last four years. In 1936 the company earned $9.99 per share against dividend requirements of $5.

The company's mortgages are held largely in Ontario although a small proportion are in Western Canada.

Guaranteed funds, represented by deposits and guaranteed receipts, showed an increase in 1936 of nearly $700,000 standing at $9.5 millions against $8.8 millions at the end of 1935. These are secured by assets of $10.8 millions compared with $10 millions in the previous year. Increasing estates business is reflected in an increase in this item to $4.8 millions.

**Officers and Directors**—E. F. Seagram, pres.; F. S. Kumpf, L. L. Lang, vice-pres.; P. V. Wilson, man. dir.; H. Knell, H. J. Sims, Kitchener; F. Halstead, W. L. Hilliard, T. W. Seagram, W. H. Somerville, T. Hilliard, Waterloo; R. O. McCulloch, G. A. Dobbie, Galt; P. R. Hilborn, Preston.

**Branch Offices**—Waterloo, Kitchener, Galt, Preston.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,400,000 | ‡90,666 | 6½ | 9.07 |
| 1933 | 1,400,000 | ‡88,663 | 5 | 8.86 |
| 1934 | 1,400,000 | †98,254 | 5 | 9.82 |
| 1935 | 1,400,000 | ‡96,513 | 5 | 9.65 |
| 1936 | 1,400,000 | †99,829 | 5 | 9.99 |

*Taxes deducted. ‡Before deducting amount written off for contingencies and depreciation.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Guaranteed receipts | 3,870,441 | 3,733,412 |
| Trust deposits | 5,649,025 | 5,091,224 |
| Total | 9,519,469 | 8,824,636 |
| Secured by assets: |  |  |
| Liquid assets | 3,861,808 | 3,420,724 |
| Mortgages & int. | 5,657,658 | 5,403,911 |
| Net cap. acct. assets | 1,266,158 | 1,265,230 |
| Total | 10,785,624 | 10,089,865 |
| Estates, etc. | 4,806,992 | 4,774,915 |

## Western Trust

Debt adjustment in the three Prairie Provinces, and particularly in Alberta, seriously decreased earnings of Western Trust Co., Winnipeg, in 1936 and also added to the cost of doing business.

Earnings per share were equal to six cents against ten cents a share in 1935. No dividend was paid.

The company holds mortgages principally on properties in the western provinces. It was incorporated in 1906 under Federal charter. The company is paying 3½% on debentures and certificates.

**Officers**—R. Johnston, pres.; C. A. Adamson, vice-pres. and man. dir.; A. I. Grierson, sec.

**Directors**—R. Johnston, C. A. Adamson, H. H. Smith, A. B. Adamson, Hon. W. J. Tupper, all of Winnipeg; G. R. Whitmore, Regina; W. P. Fess, Toronto; J. H. Lane, Huronville, Sask.

**Branch Offices** — Regina, Saskatoon, Edmonton.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,405,000 | †5,198 | 2.50 | 0.51 |
| 1933 | 1,396,250 | ‡1,535 | .. | 0.15 |
| 1934 | 1,395,250 | 342 | .. | 0.05 |
| 1935 | 1,395,250 | 1,059 | 1 | 0.10 |
| 1936 | 1,395,250 | 676 | .. | 0.06 |

*After provision for income tax.

†Before deducting balance of income tax to Jan. 1, 1932, $1,556. ‡Before additional income tax applicable to prior years, $1,113.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Funds for inv't | 652,839 | 715,426 |
| Secured by: |  |  |
| Int. due on invests. | ...... | 8,184 |
| Mortgages & int. | 652,839 | 707,242 |
| Net cap. acct. assets | 1,442,039 | 1,441,363 |
| Total | 2,094,878 | 2,156,789 |
| Estates, etc. | 2,646,615 | 2,388,300 |

## Shipments of Horses

Three times more horses were shipped to the United States last year from Western Canada than in 1935, according to W. H. Gibson, president of the Clydesdale Horse Association of Canada. United States purchases in 1936 amounted to about $2,000,000, he said.

# Mortgage Investments Improve Their Position

## Can. Permanent Mortgage

Largest mortgage lending institution in Canada, the Canada Permanent Mortgage Corp., Toronto, commenced operations in 1855. The present company was incorporated in 1899 with a Dominion charter.

Earnings results during the last five years have been generally satisfactory. In 1936 net profits were equal to $9.71 a share compared with $9.64 a share in 1935. After payment of dividends amounting to $8 per share in 1936 and write-offs of $110,000 on premises, $10,282 was added to earned surplus. Most of the company's mortgages are held in Ontario and eastern Canada with the balance in western Canada.

Slight decreases were shown last year in deposit and debenture liabilities and these are reflected in changes in net assets. The balance sheet shows a margin of $12.6 millions in net asset values over liabilities to both depositors and debenture holders amounting to $55.8 millions.

**Officers**—F. Gordon Osler, pres.; J. A. Rowland, 1st vice-pres. and joint gen. mgr.; E. D. Gooderham, 2nd vice-pres.; C. S. Robertson, joint gen. mgr.; W. F. Watkins, asst. gen. mgr. and sec.; R. Henderson, asst. gen. mgr. and inspector of branches.

**Directors**—F. Gordon Osler, J. A. Rowland, E. D. Gooderham, F. S. Corrigan, G. H. Gooderham, C. S. Robertson, J. R. Lamb, R. L. Warren, Toronto; G. W. Allan, Winnipeg; A. B. Campbell, W.S., Edinburgh.

**Chief Office in Great Britain**—36 Castle St., Edinburgh.

**Branch Offices**—Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Regina, Woodstock, Ont., Brantford, Ont.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 15,000,000 | †888,559 | 12 | 12.68 |
| 1933 | 14,000,000 | †730,192 | 9½ | 10.43 |
| 1934 | 12,000,000 | †680,225 | 8 | 9.72 |
| 1935 | 12,000,000 | †675,012 | 8 | 9.64 |
| 1936 | 12,000,000 | †680,282 | 8 | 9.71 |

*After deducting interest on borrowed capital, expenses of management, taxes, and making provision for possible losses and contingencies.

†Before deducting amount written off office premises; $110,000 in 1936, 1935, 1934 and 1933; $55,746 in 1932.

**Creditors' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Debentures & deb. stk. | 39,350,196 | 39,712,273 |
| Deposits | 16,510,749 | 16,588,450 |
| Total | 55,860,945 | 56,300,723 |
| Secured by: |  |  |
| Liquid assets | 11,616,179 | 11,598,696 |
| Mortgages & int. | 51,798,205 | 52,229,769 |
| Other net assets | 5,060,721 | 5,076,136 |
| Total | 68,475,105 | 68,904,601 |

## Central Canada Loan

The fourth consecutive annual increase in earnings of Central Canada Loan and Savings Co., Toronto, was recorded in 1936 when the company earned $8.45 per share against dividend requirements of $8 per share.

The company operates as a holding and investment institution and holds a controlling interest in Canada Life Assurance Co. as well as an interest in National Trust Company. It was incorporated in Ontario in 1884 and in 1898 received a Dominion charter.

Mortgages were reduced in 1936 to $86,166 against $111,173 in 1935.

**Officers**—E. R. Wood, pres.; G. A. Morrow, vice-pres. and man. dir.; H. C. Cox, Leighton McCarthy, vice-pres.; W. J. Hastie, sec.

**Directors**—E. R. Wood, G. A. Morrow, H. C. Cox, Leighton McCarthy, W. J. Hastie, A. H. Cox, F. P. Wood, F. McCarthy, all of Toronto; W. G. Morrow, Peterborough.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 4,600,000 | 264,937 | 10½ | 10.60 |
| 1933 | 4,600,000 | 202,463 | 8 | 8.10 |
| 1934 | 4,600,000 | 202,281 | 8 | 8.09 |
| 1935 | 4,600,000 | 204,863 | 8 | 8.19 |
| 1936 | 4,600,000 | 211,130 | 8 | 8.45 |

**Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Liquid assets | 4,521,112 | 4,484,473 |
| Mortgages & int | 86,166 | 111,173 |
| Other net assets | 152,576 | 153,078 |

## Credit Foncier Franco-Canadien

One of Canada's largest loan companies, Credit Foncier Franco-Canadien was incorporated in 1880 and has its head office in Montreal. The company acquired the business of Holland-Canada Mortgage Co. in 1930, but earnings have declined since that time and in 1935 were equal to 57 francs per share compared with 111 francs in 1934. Total assets stood at $47 millions at the end of 1935, latest date for which figures are available.

**Directors**—Count C. d'Anvers, pres., Paris; Hon. R. Lemieux, Montreal, vice-pres.; A. Benac, Maurice Stern, E. de la Longuiniere. H. Jahan, Hon. C. P. Beaubien, Beaudry Leman, Martial Chevalier, R. Masson, Hon. L. A. Taschereau. Censors: Paul Amos, P. Vinson, J. Mignot.

**Officers**—Vicomte R. de Roumefort, gen. mgr.; J. T. Leclerc, mgr.; M. M. Pasquin, mgr.; Armand Chevalier, gen. sec., Montreal; M. Reimel, sec. in Paris; J. Barnett, mgr., Toronto.

**Shareholders' Position**

|  | 1935 | 1934 |
|---|---|---|
| Rate earned on com. | 57 fr. | 111 fr. |
| Divs. paid on com. | 100 fr. | 100 fr. |
| Net profits | $384,076 | $739,236 |
| P. & L. surplus | 285,253 | 636,025 |

**Creditors' Position**

|  | $ | $ |
|---|---|---|
| Debentures | 17,527,655 | 18,748,015 |
| Secured by: |  |  |
| Liquid assets | 4,218,934 | 4,788,846 |
| Mortgages | 38,229,333 | 40,494,465 |
| Other net assets | 4,815,528 | 2,871,816 |
| Total assets | 47,263,795 | 49,252,760 |

Latest figures available.

## Debenture Co. of Canada

Funds of Debenture Co. of Canada, with head office in Regina, are invested chiefly in tax sale certificates and agreements of sale. There are no liabilities to the public.

Earnings of the company have been meagre in recent years and the last dividend was paid in 1931. The company was organized in 1917.

**Officers and Directors**—A. B. McGill, pres.; G. A. Maybee, vice-pres.; M. H. Tilson, sec.; E. B. McIntosh, J. C. Poyser, A. G. Orchard.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 608,895 | 2,011 | .. | ‡0.4 |
| 1933 | 612,176 | 38 | .. | ... |
| 1934 | 611,007 | 284 | .. | ... |
| 1935 | 613,356 | 162 | .. | ... |
| 1936 | 535,152 | 27 | .. | ... |

†On average capital. ‡On paid-up capital. *Less income tax.

**Capital Account, Net Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Liquid assets | 109,539 | 169,090 |
| Tax sale certificates | 202,388 | 228,224 |
| Other net assets | 456,276 | 433,419 |

## Eastern Canada Savings & Loan Co.

Eastern Canada Savings and Loan Co. is a Nova Scotia institution operating under a Dominion charter originally issued in 1887. The company deals chiefly in mortgage loans which form the bulk of its total assets of $4.3 millions. Chief liabilities are debenture certificates.

Earnings in 1936, equal to $8.27 a share against $6.11 in 1935 were the highest since 1933. The company paid a dividend of $6 in 1936, but a special dividend of $1 per share was also paid in February of this year.

Addition of $8,000 to reserve fund in 1936 brought the total of that account to $308,000 or 41% of the paid-up capital. It was not necessary to call upon depreciation reserve of $70,000, as real estate held was reduced during the year. The market value of bonds and stocks owned by the company is $50,000 in excess of book value as shown in the annual report. Little change occurred in the debenture and deposit position of the company in 1936 although assets securing these liabilities were slightly higher.

**Officers**—Hon. W. H. Covert, pres.; D. R. Turnbull, vice-pres.; J. A. Clark, mgr.; G. W. Hazen, asst. mgr.

**Directors**—Hon. W. H. Covert, D. R. Turnbull, J. A. Clark, A. E. Silver, S. L. Gibson.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,111,200 | 82,841 | 8 | 11.04 |
| 1933 | 1,050,000 | 55,368 | 8 | 7.38 |
| 1934 | 1,050,000 | 51,075 | 6½ | 6.81 |
| 1935 | 1,050,000 | †45,863 | 6 | 6.11 |
| 1936 | 1,058,000 | 62,042 | 6+1‡ | 8.27 |

*Less taxes and depreciation on office buildings, etc.

†Less depreciation reserve of $8,400.

‡Special dividend paid Feb. 1, 1937.

**Creditors' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Debentures | 2,633,782 | 2,622,053 |
| Deposits | 579,552 | 560,806 |
| Total | 3,213,334 | 3,182,859 |
| Secured by: |  |  |
| Liquid assets | 468,668 | 489,558 |
| Mortgages & int. | 3,688,533 | 3,610,181 |
| Other net assets | 200,945 | 210,889 |
| Total | 4,358,146 | 4,310,628 |

## Empire Loan

Net loss of $1,589 in 1936, reported by Empire Loan Co., with head office in Winnipeg, was less than the loss experienced in 1935, but with $19,404 written off real estate and mortgage accounts it brought total defecit to $69,260 against $48,267 in the previous year.

Mortgages are shown to have risen in 1936 from $339,546 to $514,939 and assets securing the company's debentures are $726,412 compared with $615,223 at the close of 1935. Auditors of the company report that owing to the general standing of the company's investments it is not possible under present conditions to form an opinion of what reserves may be necessary to provide for losses on these investments.

**Officers and Directors**—C. M. Simpson, pres. and mgr.; W. F. Hull, vice-pres.; J. Douglass, T. R. Slagsvol, R. W. Rutherford.

**Shareholders' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Net loss | 1,589 | 2,074 |
| Total deficit | 69,260 | 48,267 |

**Creditors' Position**

|  | 1936 | 1935 |
|---|---|---|
| Debentures | 25,104 | 25,104 |
| Secured by: |  |  |
| Liquid assets | 10,582 | 12,175 |
| Mortgages & int. | 514,939 | 339,546 |
| Other net assets | 200,891 | 263,502 |
| Total | 726,412 | 615,223 |

## Guelph and Ontario Investment

Net profits of Guelph and Ontario Investment and Savings Society, Guelph, Ontario, in 1936 were the highest since 1933 and equalled $3.78 per share on the $50 par value stock. Dividend payments remained unchanged at $3.

The company was incorporated in 1876 and its business is largely confined to the territory surrounding the head office at Guelph.

The company issues debentures for three, four and five years at interest of 3½% per annum and on debentures for one and two years, pays 3%. All interest is payable half yearly.

**Officers**—J. R. Howitt, pres.; W. E. Phin, 1st vice-pres.; J. J. Shaw, 2nd vice-pres.; J. M. Purcell, man. dir.

**Directors**—J. R. Howitt, W. E. Phin, J. R. Phin, J. J. Shaw, J. M. Purcell, R. L. Torrance, J. Armstrong, G. A. Forbes.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate† Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,834,515 | 100,389 | 3.75 | 5.20 |
| 1933 | 1,484,515 | 72,799 | 3 | 3.77 |
| 1934 | 1,484,515 | 72,084 | 3 | 3.73 |
| 1935 | 1,484,515 | 69,309 | 3 | 3.59 |
| 1936 | 1,484,515 | 73,102 | 3 | 3.78 |

*Less taxes. †Par value of stock $50.

**Public Liabilities and Assets**
**Creditors' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Debentures | 2,524,110 | 2,578,008 |
| Deposits | 1,046,178 | 966,583 |
| Total | 3,570,288 | 3,544,591 |
| Secured by: |  |  |
| Liquid assets | 804,043 | 848,373 |
| Mortgage & int. | 3,778,402 | 3,762,310 |
| Other net assets | 500,421 | 456,290 |
| Total | 5,082,866 | 5,066,973 |

## Home Investment

The Home Investment and Savings Association, Winnipeg, established in 1892, has most of its investments and mortgages in Winnipeg city properties.

A decline of 48% in net profits was shown in 1936 compared with the previous year. Net profit for the year was $12,762. After deducting reserve for loans and real estate and provision for depreciation on office furniture, $8,995 was transferred to surplus.

Liquid assets were increased in 1936 by $54,000 and mortgages and agreements of sale were reduced by $190,000. Real estate held for sale increased by $88,000. The company's contingency reserve was reduced by $50,000 to $100,000 in 1936.

No dividend is being paid, the last distribution having been made in 1932, amounting to $3 per share. Earnings last year equalled $1.27 per share.

**Officers**—M. F. Christie, pres.; J. A. Flanders, vice-pres.; W. E. Hobson, man. dir.; P. M. Bull, asst. mgr.; W. E. Nicholls, sec.

**Directors** — M. F. Christie, G. W. Allan, R. J. Gourley, W. A. Matheson, E. H. Bennest, J. A. Flanders, W. E. Hobson, all of Winnipeg.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 1,496,400 | 41,597 | 3 | 4.17 |
| 1933 | 1,396,400 | 37,421 | . | 3.75 |
| 1934 | 1,396,400 | 27,082 | . | 2.72 |
| 1935 | 1,396,400 | 24,553 | . | 2.46 |
| 1936 | 1,346,400 | 12,762 | . | 1.27 |

*After making provision for taxes.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Inv't. certificates | 165,995 | 168,356 |
| Deposits | 212,252 | 205,240 |
| Total | 378,247 | 373,596 |
| Secured by assets: |  |  |
| Liquid assets | 436,525 | 382,599 |
| Mortgages & int. | 713,628 | 904,519 |
| Net cap. acct. assets | 588,510 | 503,395 |
| Total | 1,738,663 | 1,790,513 |

## Home Buildings and Savings

Incorporated in 1887 with head office at Ottawa, this company is one of the few Ontario companies having terminating stock. Latest financial data available shows surplus account at $3,119 at the end of 1934.

**Officers**—W. M. Ross, pres.; T. E. Clendinnen, vice-pres.; A. H. Fitzsimmons, mgr.

**Directors**—W. M. Ross, T. E. Clendinnen, R. A. Sproule, G. L. Snelling, S. G. Metcalfe, Dr. D. C. McLaren, D. D. Gray.

**Profit and Loss Account**

|  | 1934 | 1933 |
|---|---|---|
| Interest, fines, etc. | 4,075 | 4,208 |
| Less: Int. on loans | 1,835 | 1,938 |
| General expense | 1,457 | 1,560 |
| Surplus for year* | 783 | 710 |

*Added to reserve for depreciation on real estate and contingencies.

**Surplus Account**

|  | 1934 | 1933 |
|---|---|---|
| Add: Prev. surplus | 4,191 | 5,521 |
| Paid to shareholders | 1,072 | 1,330 |
| Surplus forward | 3,119 | 4,191 |

## Hudson Bay Mortgage

Hudson Bay Mortgage Co., incorporated with a British Columbia charter in 1926, has its head office in Vancouver It acquired the Hudson Bay Mortgage Corp. originally incorporated in 1911.

Net profit of $1,053 was reported by the company in 1936 and although dividends of 25 cents a share were paid on the preferred, unchanged from 1935, no earnings were available for the common stock. The preferred is a 5% cumulative issue of $10 par value. Investments of the company at the end of 1936 were reported at $78,753.

**Officers and Directors**—T. S. Annandale, pres.; R. Dowswell, vice-pres.; S. B. Smith, sec. and treas.; H. F. Crowe, P. D. Bannerman.

**Shareholders' Position**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Divs. paid, pref. | 0.25 | 0.25 |
| Net profits | 1,053 | ‡551 |
| Reserve | 278 | 3,152 |
| P. & L. surplus | 6,752 | 7,254 |

‡Loss.

No earnings or dividends on common.

## Huron & Erie Mortgage Corp.

Huron and Erie Mortgage Corp. in 1936 experienced a satisfactory year from the standpoint of cash payments of mortgage interest since 1930.

One of the largest lending institutions in Canada, the company was incorporated in Ontario in 1864 and has its head office in London, Ontario. Mortgages are held largely in Ontario and western Canada. During the last year internal investment reserve position was improved by transfer of $100,000 from undivided profits of other years.

Earnings in 1936 were equal to $6.09 a share against dividend requirements of $5, income remaining practically unchanged from 1935, although the dividend rate was reduced from $6 paid in that year. Assets of the company are about $45.3 millions. During 1936 holdings of bonds and other quick assets rose from 55% of deposits to 63% of the amount on deposit at the end of the year. More than 90% of the bonds held are those of Great Britain and the Dominion.

**Officers**—T. G. Meredith, chm. and pres.; Col. Ibbotson Leonard, vice-pres.; Morley Aylsworth, gen. mgr.; D. McEachren, sec.; C. J. Clarke, treas.; H. W. Givins, supt. of western branches; R. H. Cronyn, asst. sec.; R. P. Baker, invest. exec.

**Directors**—T. G. Meredith, chm.; Morley Aylsworth, H. E. Gates, George H. Belton, Lt.-Col. Claude Brown, Col. Ibbotson Leonard, V. P. Cronyn, London, Ont.; Hon. S. C. Mewburn, Hamilton; J. W. Spears, Toronto.

**Branch Offices**—London, Ont. (4); Toronto, Hamilton, St. Thomas, Windsor, Chatham, Winnipeg, Regina, Edmonton, Victoria and Vancouver.

**Earnings Record**

| Year | Paid-up Capital and Reserves $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh. $ |
|---|---|---|---|---|
| 1932 | 7,800,000 | 404,724 | 8 | 8.09 |
| 1933 | 7,000,000 | 353,334 | 6½ | 7.07 |
| 1934 | 7,000,000 | 303,880 | 6 | 6.08 |
| 1935 | 6,500,000 | 302,703 | 6 | 6.05 |
| 1936 | 6,500,000 | 304,553 | 5 | 6.09 |

*After management expenses and all other charges, taxes, provision for actual losses, and amount written off office premises.

**Public Liabilities and Assets**

|  | 1936 $ | 1935 $ |
|---|---|---|
| Canadian debentures | 27,158,700 | 26,905,683 |
| Sterling debentures | 2,471,108 | 2,481,834 |
| Debenture interest | 370,352 | 376,232 |
| Deposits | 8,956,881 | 9,231,464 |
| Total | 38,957,041 | 38,995,213 |
| Secured by assets: |  |  |
| Liquid assets | 5,928,074 | 5,376,904 |
| Mtge. & sale agree. | 34,250,981 | 35,060,896 |
| Other net assets | 5,357,789 | 5,182,575 |
| Total | 45,536,844 | 45,620,465 |

(Continued on page 14)

The Growth of the Nova Scotia Trust Company from a small beginning 25 years ago is an outstanding example of the success of sound management. It is a well staffed and well directed organization, giving a complete and efficient trust company service in its home province. Recently a branch office was opened in Sydney, N.S.

DIRECTORS and OFFICERS
Melvin S. Clarke, President
B. P. Saunders, Vice-President
T. W. Murphy, K.C., Vice-President
R. W. Elliot, Managing Director
C. W. Anderson, M.L.A., Director
R. A. Corbett, Director
Hon. W. H. Dennis, Director
Geo. E. Graham, Director
Lt.-Col. A. N. Jones, Director
L. A. Lovett, K.C., Director
Geo. H. Murphy, M.D., Director
John A. Young, Director.
G. R. Harrison, Secretary.

Capital paid up and Surplus ..... $ 749,617
Total Assets ....... $8,116,368

THE NOVA SCOTIA TRUST COMPANY
Executors — Trustees
HALIFAX - NOVA SCOTIA
Branch office at Sydney, N.S.

The GREY & BRUCE TRUST & SAVINGS CO.
Owen Sound, Ont.

Paid Up Capital and Reserves .... $700,000

| | 1935 | 1936 |
|---|---|---|
| Deposits | 1,699,339 | 1,933,700 |
| Total Assets | 3,051,366 | 3,447,080 |

C. A. FLEMING, President
O. E. MANNING, Managing-Director

THE SUN TRUST LIMITED
Executors, Administrators, Trustees, Transfer Agents, Registrars
(Complete Trust Service)
10 St. James St. W. MONTREAL
132 St. Peter St. QUEBEC

Head Office—Montreal
CREDIT FONCIER FRANCO-CANADIEN
Established in 1880
Loans on First Mortgages
R. de Roumefort, General Manager
J. Theo. Leclerc, Manager
Marcel Pasquin, Manager
Armand Chevalier, General Secretary
Head Office, Montreal
Branches:
Quebec, Regina, Toronto, Edmonton, Vancouver, Winnipeg

Established 1896
The London and Western Trusts Company Limited
RONALD HARRIS, Chairman of the Board
RT. HON. ARTHUR MEIGHEN, K.C., P.C., President
RAY LAWSON, Vice-President
GEO. C. GUNN, Vice-President
JOHN S. MOORE, General Manager
London Toronto Windsor Winnipeg Vancouver

ADMINISTRATION and TRUST COMPANY
(Société d'Administration et de Fiducie)
Established in 1902
EXECUTORS and TRUSTEES
Hon. RODOLPHE LEMIEUX, President
J. THEO. LECLERC, Managing Director
Head Office: MONTREAL
5 St. James St. East
BRANCHES:
Quebec - Winnipeg - Regina - Edmonton - Vancouver

The British Mortgage and Trust Corporation of Ontario
Founded in 1877
STRATFORD, ONTARIO
• • •
Paid Up Capital $1,000,000.00
Reserves ....... $ 825,000.00
2½% on Trust Deposits
3½% on Guaranteed Investment Certificates
Hon. Nelson Monteith, President
W. H. Gregory, Managing Director
SIXTIETH YEAR

# Loan Companies (Continued)

(Continued on page 13)

## International Loan

International Loan Co., of Winnipeg, has no liabilities to the public and holds mortgage loans chiefly on properties in the three Prairie Provinces. It was incorporated in 1913, with a Manitoba charter and seven years later was granted a Dominion charter.

Assets of the company totalled $1.1 million at the end of 1935, latest date for which figures are available.

**Officers**—H. F. M. Ross, pres.; A. Wishart, vice-pres., G. W. Argue, man. dir.; C. Dick, sec.-treas.

**Directors**—G. W. Argue, H. F. M. Ross, J. Hall, J. G. Schill, B. M. Gunn, A. Wishart, J. E. Burns, W. J. Wade, C. Dick, P. H. Thorlakson.

**Shareholders' Position**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Rate earn. per sh.* | 2.57 | 2.97 |
| Divs. paid per sh. | ... | 3.00 |
| Net profits | 24,332 | 27,809 |
| P. & L. surplus | 60,909 | 71,489 |
| Mtges. & real estate | 1,095,091 | 1,071,167 |
| Cash | 16,625 | 38,025 |
| Total assets | 1,107,715 | 1,109,192 |

*On basis of paid-up capital.
Latest figures available.

## Lambton Loan

Canada's oldest mortgage company, which began business in 1847, has its head office in Sarnia, Ont.

Earnings in 1936 were the highest since 1932, amounting to $2.80 per share on the $50 stock against dividend requirements $2. All mortgage investments of the company are held in Ontario and bond holdings consist of Dominion obligations and bonds of eastern provinces and municipalities. Mortgages now amount to $3 millions.

**Officers**—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.; J. M. Hunt, mgr. and sec.

**Directors**—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, W. H. Kenny, all of Sarnia; A. G. Minielly, Watford; B. W. Fansher, Florence; H. Fraleigh, Forest.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. *Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 1,739,750 | 67,384 | 4.50 | 4.25 |
| 1933 | 1,589,750 | 37,768 | 2.25 | 2.39 |
| 1934 | 1,589,750 | *32,498 | 2.00 | 2.08 |
| 1935 | 1,589,750 | 32,518 | 2.00 | 2.08 |
| 1936 | 1,489,750 | 44,287 | 2.00 | 2.80 |

*Estimated. Par value of stock $50.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures & int. | 1,578,510 | 1,516,749 |
| Deposits | 976,199 | 974,343 |
| Total | 2,554,709 | 2,491,092 |
| Secured by assets: | | |
| Liquid assets | 560,780 | 396,721 |
| Mortgages & int. | 2,984,758 | 3,292,822 |
| Other net assets | 529,698 | 409,379 |
| Total | 4,075,236 | 4,098,922 |

## Landed Banking & Loan

Holding mortgages chiefly on properties in the Hamilton, Ont., area with a few in western Canada, Landed Banking and Loan Co., Hamilton, earned $5.06 per share in 1936 against dividend requirements of $5 per share. Net profit, after deducting interest, expenses and other charges and making provision for possible losses and contingencies and reserves for taxes compared with $5.09 per share in 1935.

The company was incorporated in 1876. Its shares are listed on the Toronto Stock Exchange.

**Officers**—Major W. D. Wilson, pres.; R. R. Bruce, vice-pres.; H. M. Patterson, mgr.

**Directors**—W. S. Burrill, A. V. Young, C. E. Thomson, R. R. Bruce, Hon. G. Lynch-Staunton, Major W. D. Wilson, all of Hamilton.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 1,950,000 | 78,792 | 8 | 7.87 |
| 1933 | 1,850,000 | 65,415 | 6 | 6.54 |
| 1934 | 1,850,000 | 69,048 | 5 | 6.90 |
| 1935 | 1,850,000 | 50,926 | 5 | 5.09 |
| 1936 | 1,850,000 | 50,552 | 5 | 5.06 |

*After deducting interest, expenses and charges, and making provision for possible losses and contingencies and reserve for taxes.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 666,141 | 675,079 |
| Deposits | 969,507 | 1,072,121 |
| Total | 1,635,648 | 1,747,200 |
| Secured by assets: | | |
| Liquid assets | 439,210 | 395,552 |
| Mortgages and int. | 2,816,183 | 3,024,493 |
| Other net assets | 295,159 | 266,720 |
| Total | 3,550,552 | 3,686,765 |

## La Compagnie Foncière de Man.

Surplus of La Compagnie Foncière de Manitoba has been reduced in recent years as a result of low earnings, and net loss of $5,775 is reported for 1936. Total assets reported at the close of 1936 were $886,398. The company's head office is in Winnipeg.

**Officers**—M. J. A. M. de la Giclais, pres.; T. Turnbull, vice-pres.; A. Griveau, sec.-treas.

**Directors**—M. J. A. M. de la Giclais, J. E. Quertin, Marquis De Polignac, G. H. Griffin, C. H. Bethmont, Henri Motte, B. E. Chaffey, T. Turnbull.

**Shareholders Position***

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Net loss | 5,775 | 9,927 |
| P. & L. surplus | †2,511 | 8,461 |
| **Creditors' Position** | | |
| Debentures | 80,300 | 80,300 |
| Deposits | 2,974 | 1,593 |
| Total | 83,274 | 81,893 |
| Secured by: | | |
| Liquid assets | 8,899 | 6,745 |
| Mortgages, etc. | 696,566 | 708,233 |

†Deficit.
*No earnings or dividends in 1934 and 1935.

## Midland Loan

Earnings of $17 a share in 1936 were more than twice dividend requirements of $8 per share for Midland Loan & Savings Co. of Port Hope, Ontario. The company was originally incorporated in 1872 and its mortgages are held in Ontario. Security for depositors and debenture holders, as shown in figures for 1936, reveals an ample margin after provision for investment reserves. Total assets of $3 millions showed little change during the year.

**Officers**—S. R. Caldwell, pres.; F. Rosevear, vice-pres.; W. J. Helm, mgr.

**Directors**—The above and A. J. Mulligan, W. H. Symons.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 840,000 | 55,331 | 10+1 | 15.3 |
| 1933 | 840,000 | 51,264 | 8½ | 14.2 |
| 1934 | 840,000 | 50,880 | 8 | 14.1 |
| 1935 | 840,000 | 44,687 | 8 | 12.4 |
| 1936 | 840,000 | 61,478 | 8 | 17.0 |

*Before deduction of investment revenue, par value of stock $10.

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 1,883,409 | 1,953,298 |
| Deposits | 364,070 | 346,285 |
| Total | 2,247,479 | 2,299,583 |
| Secured by: | | |
| Liquid assets | 514,359 | 563,474 |
| Mortgages & int. | 2,604,033 | 2,600,130 |
| Other net assets | *1,487 | 2,727 |
| Total | 3,116,905 | 3,166,331 |

*Surplus of current liabilities over other assets.

## Montreal Loan

Montreal Loan and Mortgage Co., incorporated under Quebec charter in 1875 has the bulk of its assets invested in mortgages.

There was little change in earnings during 1936 and net profits equalled $2.08 per share on the $25 par value stock compared with $2.17 in 1935. Dividends of $2 were paid against $2.37½ in 1935.

Debentures and deposits were lower, at $433,717 against $502,451 in 1935 and these were accompanied by a slight decrease in assets. The decrease was due entirely to a reduction in mortgages. Liquid assets and net assets other than mortgages were higher at the end of 1936.

**Officers**—G. Caverhill, pres.; W. E. Bolton, vice-pres.; R. A. Kydd, mgr.

**Directors** — G. Caverhill, W. E. Bolton, H. Raine, G. R. Caverhill, W. B. Blackader, all of Montreal.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate | Rate† Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 1,500,000 | 79,641 | 3+.25 | 3.32 |
| 1933 | 1,500,000 | 73,324 | 3+.25 | 3.06 |
| 1934 | 1,500,000 | 63,346 | 2.62½ | 2.64 |
| 1935 | 1,450,000 | 52,192 | 2.37½ | 2.17 |
| 1936 | 1,450,000 | 49,952 | 2 | 2.08 |

†Par value of stock $25.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 292,276 | 346,347 |
| Deposits | 141,441 | 156,104 |
| Total | 433,717 | 502,451 |
| Secured by: | | |
| Liquid assets | 53,116 | 7,856 |
| Mortgages and int. | 1,518,912 | 1,754,812 |
| Other net assets | 314,551 | 190,693 |
| Total | 1,886,579 | 1,953,361 |

## Mortgage Corp. of N.S.

Earnings of $8.17 a share reported in 1936 by the Mortgage Corp. of Nova Scotia were slightly under the $8.56 per share earned in 1935, but they were ample for dividend requirements of $7.

The company began operations in 1901 under Dominion charter and has its head office at Halifax.

Debenture and deposit liabilities of $620,061 are secured by assets of $1,962,570. The company is not taking any new money on debentures or certificates at the present time as the call for money is not sufficient. The company is paying 3½% on renewals.

**Officers and Directors**—
A. H. Whitman, pres.; A. MacKinlay, vice-pres.; C. R. Chipman, man. dir.; N. C. Mitchell, J. R. Corston.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 1,010,000 | 64,214 | 7 | 9.44 |
| 1933 | 1,020,000 | 69,506 | 7 | 10.22 |
| 1934 | 1,020,000 | 65,812 | 7 | 9.67 |
| 1935 | 1,020,000 | 58,247 | 7 | 8.56 |
| 1936 | 1,020,000 | 55,579 | 7 | 8.17 |

*After cost of management, interest and taxes.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures and int. | 555,403 | 608,042 |
| Deposits | 64,658 | 69,841 |
| Total | 620,061 | 677,883 |
| Secured by: | | |
| Liquid assets | 139,317 | 109,166 |
| Mortgages & int. | 1,459,344 | 1,549 101 |
| Other net assets | 363,909 | 361,644 |
| Total | 1,962,570 | 2,019,911 |

## Niagara Falls Loan and Savings Society

Niagara Falls Loan and Savings Society, with head office at Niagara Falls, Ont., succeeded the former Niagara Falls Building, Savings and Loan Association which had operated for more than 40 years.

Owing to the reorganization of the company earnings are shown only for the six months ended Dec. 31, 1936. The company is making new mortgage loans in addition to the total of $1 million reported outstanding at the close of 1936.

**Officers**—U. H. Bowen, pres.; W. J. Hamilton, vice-pres.; J. W. Butters, mgr. and sec.

**Directors**—U. H. Bowen, J. H. Denton, G. Emery, W. J. Hamilton, J. Harriman, J. B. Mears, S. Packer, H. C. Pattinson.

**Earnings Record**

| | Capital & Reserves | *Net Profits | Div. Rate | Rate Earned |
|---|---|---|---|---|
| 6 mos. ended Dec. 31, '36 | 854,203 | 18,730 | 1 | 2.4 |

*After taxes.

| Year | Total Assets | Reserve Funds | Mortgage and Real Est. Loans |
|---|---|---|---|
| | $ | $ | $ |
| 1931 | 2,646,509 | 97,000 | 2,563,230 |
| 1932 | 2,379,261 | 96,000 | 2,210,650 |
| 1933 | 2,072,574 | 104,444 | 1,970,573 |
| 1934 | 1,873,264 | 82,000 | 1,767,207 |
| 1935 | 1,624,389 | ...... | 1,515,021 |
| 1936 | 1,195,050 | 78,232 | 1,074,545 |

## North of Scotland Can. Mortgage Co.

Incorporated in 1875, the company has its head office in Aberdeen, but its mortgage holdings are chiefly in western Canada. Adverse mortgage conditions in the West have been reflected in losses by the company in the last few years although net loss was reduced in 1936 to £8,002 compared with a net loss of £10,048 in 1935. Canadian office of the company is in Winnipeg.

**Officers** — J. Mearns, chm.; Osler, Hammond & Nanton, gen. mgrs. in Canada; W. Johnson, sec., Scotland.

**Directors**—Col. G. Milne, Rt. Hon. Earl of Caithness, J. Mearns, H. J. Kinghorn, G. Robb, Aberdeen; Directors appointed by debenture stockholders: A. T. Cruickshank, R. P. Masson, Aberdeen.

**Earnings Record**

| Yr. end. May 15 | Paid-up Capital | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | £ | £ | % | % |
| 1933 | 450,728 | †24,782 | .. | ... |
| 1934‡ | 529,960 | †14,917 | .. | ... |
| 1935• | 612,663 | †10,048 | .. | ... |
| 1936 | 613,673 | †8,002 | .. | ... |

†Loss. ‡For nine months. •From 1935 year ends Feb. 15.

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| | £ | £ |
| Debenture stock | 548,455 | 548,455 |
| Deposits | 308,431 | 379,607 |
| | 856,886 | 928,062 |
| Secured by: | | |
| Liquid assets | 29,614 | 94,653 |
| Mortgages | 1,567,125 | 1,588,385 |
| Other assets | 97,556 | 95,045 |

## Northern Canadian Mortgage

Northern Canadian Mortgage Co., with head office at Winnipeg, has no liabilities to the public. The company reported a deficit of $2,584 on the result of operations in the fiscal year ended March 31, 1936, compared with a net profit of $12,271 in 1935.

**Officers**—G. W. Northwood pres.; T. L. Hartley, vice-pres.; J. H. Peace, sec.

**Directors**—G. W. Northwood, W. T. Gwyn, A. L. Denison, T. L. Hartley.

**Shareholders' Position**

| Yr. end. Mar. 31: | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Rate earned, pref | nil | 0.92 |
| Divs. paid per sh. | nil | nil |
| Net profits | †2,584 | 12,271 |
| P. & L. surplus | 14,743 | 16,299 |
| Net assets | 468,993 | 470,548 |

†Deficit.

## N. S. Savings, Loan and Building

Nova Scotia Savings, Loan and Building Society has its head office in Halifax. No income and surplus account is published and no dividends are paid although all mortgagors or shareholders participate in mutual benefits.

As at January 1936 the company had debentures of $1.3 million outstanding and secured by assets of $3.4 millions.

**Creditors' Position**
**As at Jan. 31**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 1,327,929 | 1,296,421 |
| Deposits | 105,741 | 95,605 |
| Secured by: | | |
| Liquid assets | 216,673 | 197,083 |
| Mortgages | 3,139,307 | 3,129,126 |
| Other assets | 46,704 | 30,531 |
| Total | 3,402,684 | 3,356,690 |

Latest figures available.

## Okanagan Investments

Formerly known as the Okanagan Loan and Investment Trust Co., a new company known as Okanagan Investments Co. Ltd., was formed in 1936, with head office at Kelowna, B.C., and a new trust company formed under the old name of Okanagan Loan and Investments Co. Ltd. Okanagan Investments owns the new trust company which has a paid-up capital of $250,000.

Okanagan Loan and Investment Trust Co., the new company, has taken over estates, agencies and trust business. Trust business has been satisfactory during 1936, the company's annual report states. Real estate holdings have increased to $120,000.

**Officers**—B. de F. Boyce, chm.; J. R. Beale, vice-chm.; O. St. P. Aitkens, mgr.

**Directors**—B. de F. Boyce, Kelowna; J. R. Beale, Rutland; D. Lloyd Jones, O. St. P. Aitkens, A. J. Corner, Kelowna.

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 443,000 | 15,889 | 2 | 3.94 |
| 1933 | 443,000 | 3,321 | . | 1.32 |
| 1934 | 443,000 | 14,220 | 1 | 3.55 |
| 1935 | 443,000 | 11,917 | 4 | 2.98 |
| 1936† | 443,818 | 14,003 | 4 | 3.47 |

†After reorganization. *Less taxes.

## Ont. Loan and Debenture

Incorporated in London, Ontario, in 1870, Ontario Loan & Debenture Co. has maintained a strong liquid position in recent years. Earnings have remained steady between $6 and $7 per share on the $50 stock until last year when earnings equalled $5.81 and the dividend was reduced from $6 to $5.75.

Reduced earnings were due, however, to a special provision made by the directors for possible loss on 1936 earnings from mortgage investments in Calgary and Edmonton.

Total assets of the company now exceed $15 millions.

**Officers**—Archibald McPherson, pres.; T. H. Main, vice-pres. & mgr.; J. P. Dewan, asst. mgr.; F. E. A. McKellar, accountant.

**Directors** — Archibald McPherson, J. B. Orr, T. H. Main, J. McClary Gunn, O. R. Moore, E. E. Reid, all of London, Ont.

**Earnings Record**

| Year | Paid-up Capital & Reserves | Net Profits† | Div. Paid | Earned Per $50 sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 5,200,000 | 267,386 | 6 | 6.68 |
| 1933 | 5,200,000 | 252,011 | 6 | 6.30 |
| 1934 | 4,400,000 | 256,980 | 6 | 6.42 |
| 1935 | 4,400,000 | 253,804 | 6 | 6.34 |
| 1936 | 4,400,000 | 232,266 | 5¾ | 5.86 |

†After payment of provincial and municipal taxes, interest, expenses and charges, provision for possible losses and contingencies and income tax, but before deducting $10,000 written off office premises in 1935.

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 7,793,998 | 7,664,927 |
| Deposits | 2,832,440 | 2,574,034 |
| • Total | 10,626,438 | 10,238,961 |
| Secured by: | | |
| Liquid assets | 4,099,883 | 4,019,161 |
| Mortgages | 10,345,648 | 10,164,810 |
| Other net assets | 747,360 | 621,809 |
| Total | 15.192,891 | 14,805,780 |

## Provident Investment

Incorporated in 1893, Provident Investment Co., of Toronto, had assets of $182,542 at the close of 1935, latest date for which figures are available. There is no wide public interest in the company.

**Officers and Directors**—A. H. Cox, pres.; H. K. Cox, vice-pres.; N. L. Tolman, sec.; R. G. Roberts, H. C. Cox, W. J. Hastie.

| | Total Assets | Paid-up Capital | Liab. to Public |
|---|---|---|---|
| | $ | $ | $ |
| 1932 | 260,524 | 100,000 | 160,477 |
| 1933 | 249,667 | 100,000 | 149,353 |
| 1934 | 190,087 | 100,000 | 89,037 |
| 1935 | 182,542 | 100,000 | 81,639 |

Latest figures available.

## Real Estate Loan

Investment of Real Estate Loan Co. of Canada are largely in mortgages in Ontario and Manitoba. The company has no savings depositis. Liabilities to the public are in the form of sterling debentures.

Incorporated in 1877, the company did not begin business until 1883, but since that time has been operating largely in the Toronto area where the head office is located. The company's stock is listed on the Toronto Stock Exchange.

Net profits in 1936 showed a small increase of $20,239 after deducting $30,000 for reserves, compared with $20,017 after deducting reserves of $25,000 in 1935. Net profit was equal to $4.04 a share against $4 in 1936 and twice the amount of dividend requirements of $2 for the year. A minor increase in debentures was also reported in 1936 and liquid assets were higher.

**Officers**—H. W. Aikins, pres.; E. P. Beatty, vice-pres.; C. A. Morris, man. dir.

**Directors**—H. W. Aikins, C. A. Morris, E. P. Beatty, and M. A. Mackenzie, all of Toronto; Hon. Lendrum McMeans, Winnipeg.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 810,000 | 44,081 | 7 | 8.82 |
| 1933 | 795,000 | 32,640 | 5 | 6.53 |
| 1934 | 770,000 | 17,303 | 2½ | 3.46 |
| 1935 | 750,000 | 20,017 | 2 | 4.00 |
| 1936 | 750,000 | *20,239 | 2 | 4.04 |

*Before deducting mortgage reserve of $5,000 and real estate reserve of $2,000 in 1936.

**Public Liabilities and Assets**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 754,175 | 753,239 |
| Secured by assets: | | |
| Liquid assets: | 88,847 | 75,058 |
| Mortgages & int. | *1,265,020 | *1,258,226 |
| Other net assets | 164,305 | 184,324 |
| Total | 1,518,172 | 1,517,603 |

*After deduction of reserve of $30,000 in 1936, and $25,000 in 1935.

## Saskatchewan Loan & Investment Co.

In operation since 1911, Saskatchewan Loan and Investment Co., with head office at Moose Jaw, has its investments entirely in mortgages, contracts and real estate. Unfavorable lending conditions in Western Canada have adversely affected operating results in the last few years and net loss in 1936 amounted to $1,301 compared with a net loss of $2,748 in 1935.

**Officers**—J. Thomson, pres.; N. J. Bellamy, vice pres.; C. D. Grayson, acting sec.

**Directors**—J. D. Fraser, J. Thomson, C. D. Grayson, G. K. Grayson, J. M. Keay, W. P. Johnson, N. J. Bellamy, A. T. Wilson, all of Moose Jaw, Sask.; J. C. Poyser, Stoney Beach; Mrs. N. Bellamy, Mrs. E. N. Hopkins, Mrs. Ellen Grayson, W. D. McIntyre, Moose Jaw; Mrs. Emma McCartney, Tuxford.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1933 | 401,646 | 81 | .. | ... |
| 1934 | 401,646 | *2,792 | .. | ... |
| 1935 | 401,646 | *2,748 | .. | ... |
| 1936 | 401,646 | *1,301 | .. | ... |

*Loss.

## Security Loan and Savings

Formed as a building loan association in 1870, Security Loan and Savings Co., of St. Catharines, Ont., has earned dividend requirements by a comfortable margin for some years. Earnings in 1936 were equal to $7.96 a share against dividend requirements of $5.50. The dividend rate represents of 50-cent reduction in the January 1, 1937, payment, however.

Mortgages account for about 70% of the company's total assets amounting to $2.1 millions.

**Officers and Directors**—
H. Southcott, pres.; E. F. Dwyer, vice-pres.; A. Robinson, mgr.; H. Newman, D. F. Pepler, H. J. Carmichael, F. Blaikie.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 874,800 | *55,552 | 7 | 10.28 |
| 1933 | 874,800 | *51,752 | 7 | 9.59 |
| 1934 | 874,800 | *47,961 | 6 | 8.88 |
| 1935 | 874,800 | 45,841 | 6 | 8.49 |
| 1936 | 874,800 | 42,967 | 5½ | 7.96 |

*After deducting income tax, estimated: 1934, $7,804; 1933, $5,122; 1932, $6,263.

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 889,003 | 947,257 |
| Deposits | 369,023 | 348,900 |
| Total | 1,258,026 | 1,296,157 |
| Secured by: | | |
| Liquid assets | 352,138 | 438,278 |
| Mortgages | 1,556,169 | 1,582,947 |
| Other net assets | 232,491 | 210,415 |
| Total | 2,140,798 | 2,231,640 |

## Soc. de Prêts & Placements

With head office in Quebec, Le Société de Prêts et Placements de Quebec invests chiefly in mortgages and its liabilities to the public are small. Total assets were about $1.4 million at the end of 1935, latest date for which figures are available.

**Officers**—Y. Montreuil, pres.; J. E. Fortier, vice-pres.; J. P. Dionne, sec.-treas.

**Directors** — E. Barry, J. E. Fortier, Y. Montreuil, J. L. Morency, J. A. Grenier.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | % | % |
| 1932 | 1,356,914 | 5,456 | 5½ | 0.68 |
| 1933 | 1,331,895 | 19,690 | 4 | 2.46 |
| 1934 | 1,309,678 | 25,073 | 4 | 3.13 |
| 1935 | 1,319,078 | 25,735 | 4 | 3.22 |

**Public Liabilities and Assets**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Deposits | 92,730 | 100,034 |
| Secured by: | | |
| Liquid assets | 52,245 | 61,037 |
| Mortgages & int | 725,529 | 708,650 |
| Other assets | 425,026 | 444,421 |
| Total | 1,202,800 | 1,214,108 |

Latest figures available.

## Toronto Mortgage

Debentures and deposits of Toronto Mortgage Co., Toronto, Ontario, have shown steady expansion since the company was incorporated in 1899 and earnings have been well maintained throughout period of varying business conditions.

The company has paid a $6 dividend on its $50 par value stock for some years and earnings have shown unusual stability at about $6.50 per share in each of the last five years.

**Officers**—G. B. Strathy, chm. of board, T. H. Wood, pres.; A. M. M. Kirkpatrick, vice-pres.; W. Gillespie, mgr. and sec.-treas.

**Directors**—T. H. Wood, A. M. M. Kirkpatrick, W. Gillespie, E. R. Greig, Hon. George S. Henry, G. B. Strathy, A. F. White, G. D. Kirkpatrick, all of Toronto.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits | Div. Rate† | Rate† Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 2,151,502 | 128,458 | 6 | 6.51 |
| 1933 | 2,151,502 | 130,632 | 6 | 6.62 |
| 1934 | 2,151,502 | 128,650 | 6 | 6.52 |
| 1935 | 2,151,502 | 129,031 | 6 | 6.54 |
| 1936 | 2,151,502 | 128,971 | 6 | 6.53 |

†Based on fully paid-up capital stock, par value $50.

**Creditors' Position**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Debentures | 2,747,929 | 2,748,583 |
| Deposits | 146,508 | 136,865 |
| Total | 2,894,437 | 2,885,448 |
| Secured by: | | |
| Liquid assets | 988,142 | 928,668 |
| Mortgages & int. | 4,097,632 | 4,150,219 |
| Other net assets | 92,371 | 79,678 |
| Total | 5,178,145 | 5,158,565 |

## Toronto Savings & Loan Co.

Toronto Savings & Loan Co. has its head office in Peterborough, Ont., and has been in operation since 1885. The latest available earnings statement is shown below.

**Officers and Directors**—
H. C. Cox, pres.; W. G. Morrow, vice-pres. and man. dir.; L. McCarthy, vice-pres.; G. H. Thompson, sec.; E. R. Wood, A. H. Cox, G. A. Morrow, S. H. Logan, J. A. McLeod, W. E. Rundle, F. P. Wood, F. McCarthy.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 2,200,000 | 162,335 | 14+2 | 16.23 |
| 1933 | 2,200,000 | 127,759 | 12 | 12.87 |
| 1934 | 2,200,000 | 111,060 | 10 | 11.11 |

*Reserve for taxes deducted: $5,000 in 1934; $5,500, 1933; $5,900, 1932.

**Public Liabilities and Assets**

| | 1934 | 1933 |
|---|---|---|
| | $ | $ |
| Debentures | 1,987,918 | 1,931,509 |
| Deposits | 1,322,546 | 1,361,118 |
| Total | 3,310,464 | 3,292,627 |
| Secured by: | | |
| Liquid assets | 3,725,179 | 3,681,094 |
| Mortgages & int. | 748,988 | 784,594 |
| Other assets | 1,144,470 | 1,124,050 |
| | 5,618.637 | 5,589,738 |

## Yarmouth Building and Loan

With a history of operations dating back to 1876, when it commenced business in Yarmouth, N.S., Yarmouth Building and Loan Society was not incorporated, however, until 1880. Mortgages held on properties in the area in which its head office is located are the chief interest of the company.

Earnings in 1936 were equal to $6.92 a share compared with $6.57 a share in 1935, but dividend payments remained unchanged at $6 per share.

Reserves rose in 1936 to $58,000. There was a minor reduction in paid-up capital last year.

**Officers**—W. C. Purney, pres.; J. W. Grant, sec.-treas.

**Directors**—W. C. Purney, B. S. Robbins, G. Killam, A. P. Stoneman, R. S. McKay.

**Earnings Record**

| Year | Paid-up Capital | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1932 | 205,854 | 14,564 | 6 | 7.2 |
| 1933 | 200,183 | 12,896 | 6 | 6.4 |
| 1934 | 197,908 | 12,465 | 6 | 6.3 |
| 1935 | 194,403 | 12,789 | 6 | 6.6 |
| 1936 | 190,917 | 13,294 | 6 | 6.9 |

*After deducting expenses, taxes, accrued interest and transfer to real estate.

| Year | Total Assets | Reserves Funds | Mtges. & Real Est. Loans |
|---|---|---|---|
| | $ | $ | $ |
| 1932 | 309,703 | 55,000 | 297,989 |
| 1933 | 428,927 | 55,000 | 412,000 |
| 1934 | 424,867 | 55,000 | 379,150 |
| 1935 | 419,374 | 57,000 | 367,810 |
| 1936 | 412,596 | 58,000 | 369,600 |

## Paramount Pays Dividend Arrears

Paramount Pictures, Inc., has declared a dividend of 60 cents per share on account of arrears on its second preferred stock, along with the regular payment of 15 cents per share. Both payments will be made on April 1, 1937, to shareholders of record March 15.

With this payment Paramount wipes out dividend arrears on its second preferred stock. On Dec. 26, 1936, the company wiped out arrears on its first preferred with a payment of $12 per share.

## Western Homes

Western Homes Ltd. was incorporated in 1915, with head office at Winnipeg and its business is chiefly mortgages on city properties in Winnipeg. Public liabilities are small and assets at the end of 1935 were reported at $1.6 million.

**Officers**—Willis Argue, pres. and man. dir.; D. J. Dyson, vice-pres.; R. Duncan, sec.

**Directors**—Willis Argue, D. J. Dyson, C. E. Stockdill, E. J. Brownlee, B. C. Parker, W. A. Bremer, R. Duncan.

**Earnings Record**

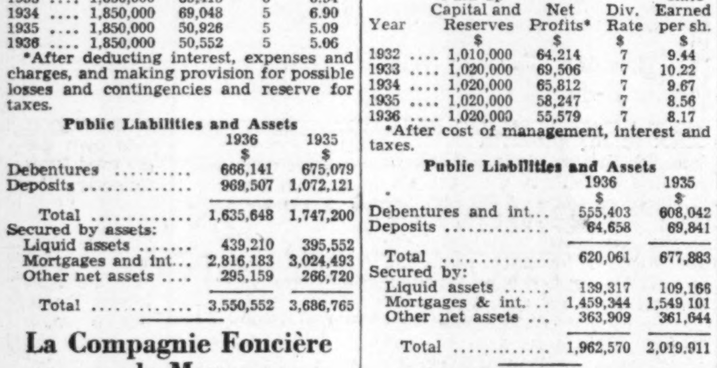
| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | % | % |
| 1932 | 1,407,191 | 65,189 | 4 | 4.6 |
| 1933 | 1,426,524 | 21,303 | 2 | 1.4 |
| 1934 | 1,427,044 | 28,407 | .. | 2.0 |
| 1935 | 1,434,939 | 20,668 | 2 | 1.44 |

*Before depreciation income tax reserve, insurance premiums, etc.

| | Total Assets | Reserve Funds | Liab. to Public |
|---|---|---|---|
| | $ | $ | $ |
| 1931 | 1,650,571 | 140,000 | 50,481 |
| 1932 | 1,630,392 | 140,000 | 14,270 |
| 1933 | 1,610,782 | 140,000 | 2,245 |
| 1934 | 1,619,332 | 140,000 | 3,240 |
| 1935 | 1,615,756 | 140,000 | 1,318 |

Latest figures available.

GENERAL TRUST OF CANADA
Progress of the Company
Assets under administration



Hon. J. M. Wilson, *President*
Hon. D. O. L'Espérance, Beaudry Leman,
*Vice-Presidents*
René Morin, *General Manager*
112 St. James Street West - - - - - Montreal

THE ONTARIO LOAN AND DEBENTURE COMPANY
London - Ontario
*Incorporated and Established 1870*
Capital $2,000,000 Reserve Fund $2,400,000

*Assets*
*(31st December, 1936)*
*$15,242,892*

*Surplus of Assets*
*over Liabilities*
*to the Public*
*$4,557,264*

DIRECTORS:
Archibald McPherson,
*President*
Thomas H. Main,
*Vice-President*
J. McClary Gunn
O. Roy Moore
Edward E. Reid
James B. Orr

MANAGER:
Thomas H. Main
*Assistant Manager*
Joseph P. Dewan

SAVINGS DEPOSITS
subject to withdrawal by cheque
DEBENTURES ISSUED

Interest payable half-yearly by coupons or, under accumulative debentures, may be left to accumulate at compound interest until maturity. The Company's Debentures are a legal investment for Trust Funds, which may also be deposited in the Company's Savings Department.

*Offices:* — Dundas Street, Market Lane, Market Square
London, Ontario

At Your Service in many capacities

Executor, Administrator and Trustee of Estates.

Trustee for Bond Issues.

Guardian, Committee of Estates of persons mentally unsound and of Estates of Absentees.

Registrar and Transfer Agent for Joint Stock Companies.

Depository for Sinking Funds.

Receiver, Assignee, Liquidator and Authorized Trustee under the Bankruptcy Act.

Revenues collected (rents, interest, dividends)

CAPITAL TRUST
Corporation Limited
MONTREAL OTTAWA TORONTO

"TIME—marches on!"

ONE HUNDRED YEARS AGO the duties of an executor were comparatively light. Winding up an estate was largely a matter of attending to land debts, rent rolls, and a few simple records.

To-day, investments are complex and diversified. Stocks, bonds, mortgages and other assets demand constant vigilance if undue shrinkage is to be avoided and appreciation in values obtained.

Furthermore, a thorough knowledge of Succession Duty and Income Tax Law, and of Stock, Bond and Real Estate values is indispensable.

Appointment of a wife, a son or daughter as executor may seem reasonable upon first thought.

They would naturally look after their own interests. The executor's remuneration might be saved.

*Unfortunately,* the saving is more apparent than real.

There are thirty or more separate steps required of executors in the administration of an estate. Lack of training and experience constitutes a grave danger of loss to the estate.

One error in judgment, one delay in taking the proper course of action, may well cost the estate ten times the amount saved in the beginning.

Three factors should be given fullest consideration when selecting the executor and trustee who is to carry out your wishes. They are collective judgment, financial responsibility and long experience.

The Canada Trust Company, with over 35 years' experience, and with more than $30,000,000 under administration, will make a capable and economical executor for your estate, because it possesses the THREE indispensable qualifications.

Make certain that your dependants will enjoy that sense of security and relief which only a trust company can bring to them when most needed.

The CANADA TRUST COMPANY
*"Faithful, Permanent and Economical"*
Branches in Six Provinces
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# THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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# The Boom In Western Canada Oil Stocks

## At Least Hundred New Wells Will be Drilled During 1937

### Carloads of Equipment Bear Witness To Big New Canadian Industry

With the record of the past few months in Alberta's oil fields facing them, Canadian investors in the east and on the coast are watching closely the development of what promises to be an important addition to Canada's primary industries.

Companies which are able to show definite prospects and a policy of sound financing have had little difficulty in obtaining capital. Activity in Turner Valley, centre of the new exploration work and the site already of a number of crude producers, is gathering momentum which has carried it to the stages of a boom. Still greater activity is promised when the spring season opens.

Present expectations are that approximately 100 new wells will be drilled on the west flank of the Valley this year. The "discovery" crude oil strike made by Turner Valley Royalties No. 1 and the subsequent strikes made by the Foundation, Royalite-Sterling 3 and B. and B. wells, have been taken as an indication that the crude oil pool underlies a considerable area and drilling announcements have actually been made respecting 60 new wells. A large number of companies are known to be endeavoring to secure acreage.

#### 20 Cars of Equipment

As an instance of the present activity—unprecedented in Turner Valley history—20 carloads of drilling equipment including three rotary rigs, costing $250,000, are being brought to Turner Valley from the eastern United States by the Brown Oil Corp., which has an extensive drilling programme arranged. The road from Okotoks to Black Diamond and thence to south Turner Valley is blocked with trucks, loaded with equipment, daily.

Men unemployed for years are securing jobs on drilling crews and in other labor associated with an oil field at wages of $40 a week and up. Oil company officials stress the fact, however, that there is no shortage of labor though there may be shortage of really skilled help in the near future.

### *Pioneers Watch Alberta Fields*

Like all developments in the fields of mining and oils, Alberta's boom has produced two distinct types of pioneer. There are the men on the field like R. A. Brown and his son on whom the spotlight is trained. There is also the armchair pioneer, the man who puts his money in what he believes to be a sound prospect and waits results.

Drilling for oil is a long and expensive business and the waiting is not always easy. The range of stock market prices, even in old-time companies in the Alberta field, reflects the recurrent hopes and fears over a period of months. It is for these men that The Financial Post, in this issue, has tried to present a true picture of the Alberta development and the companies participating.

#### Complete Next Wells

Following in the wake of the four crude oil producers brought in last year, the next wells to be completed on the west flank of Turner Valley are expected to be the Westside and Newfold, in both of which R. A. Brown, Sr., and R. A. Brown, Jr., of Calgary are interested. The Browns, at the present time, occupy a commanding position in the valley as they were responsible for the successful B. and B. and Turner Valley Royalties wells. Westside and Newfold are both in the limestone and production tests should be in progress at both wells in a very short time. Two other wells, Royalite-Sterling 4 and Dalhousie No. 8 have struck the limestone recently and are expected to follow Westside and Newfold into production.

#### Famous For Gas

For years Turner Valley has been famous as a wet gas or naphtha field. To produce naphtha, a gas wastage of more than 200,000,000 cubic feet daily (still continuing) has been necessary.

Now the picture has changed. With decline in naphtha production in 1936 due to falling gas pressures in the older areas of the field, the Turner Valley Royalties company in June, 1936, struck crude oil of 47 degrees gravity at what was then considered practically a wildcat in the extreme south end of the valley on the west flank — on acreage which was considered practically worthless during the intensive oil development operations in 1929 and 1930.

Turner Valley Royalties came into production with a flush yield of 850 barrels of crude oil daily and it is still producing a steady yield of approximately 700 barrels a day. A short distance south of Turner Valley Royalties—the crude oil discovery well—the B. and B. Royalties well came in recently with an initial flush production of 2,100 barrels of crude oil daily—a greater initial flow than that obtained from any well ever drilled in the history of Canada. Officials of B. and B. Royalties, Limited, recognized the fact, however, that steady production with the well "wide open" would entail the wastage of too much gas. Consequently back pressure was applied and the well is producing about 950 barrels of crude daily under gas conservation. It is still, by far, the largest well in Canada.

About a mile and a third south of the Turner Valley Royalties well, the Foundation Royalties producer has a flow of about 500 barrels a day. More than a mile north of Turner Valley Royalties, the Royalite-Sterling Pacific 3 well also has a crude production of about 130 barrels a day.

#### Crude Producers

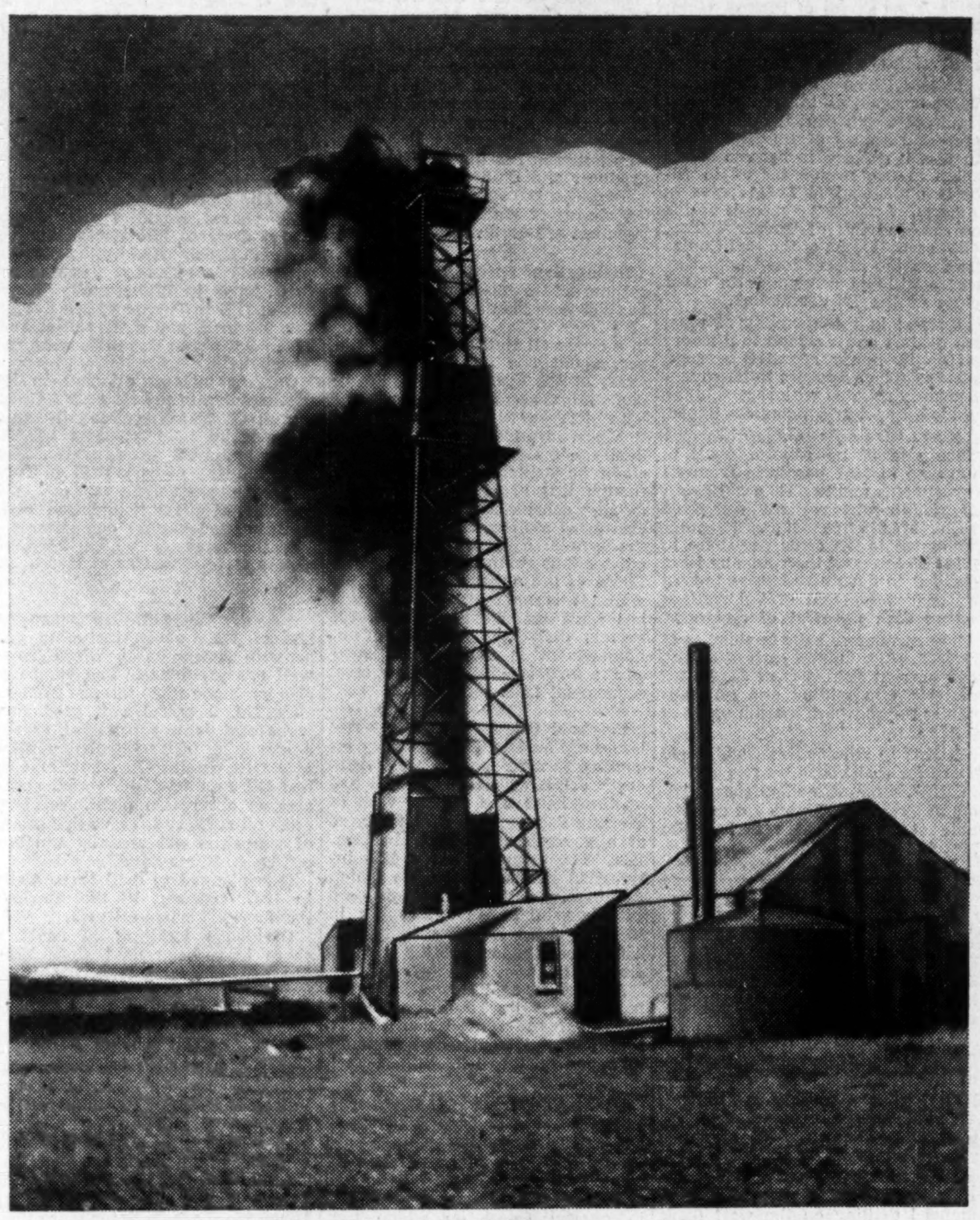
Turner Valley Royalties, Foundation Royalties, B. and B. Royalties and Royalite-Sterling Pacific 3 are the only crude oil producing wells on the newly discovered crude oil area on the southwest flank of the valley. The only other larger crude producer in the field is the Model No. 1 well which has been producing crude oil at the rate of about 5,000 barrels a month for years at a location on the west of the extreme north of the valley structure. Model No. 1 has been considered a unique well for years and, strangely, wells nearby have failed to produce anything but naphtha in any quantity.

Turner Valley Royalties, Foundation, B. and B., and Royalite-Sterling Pacific are almost on a straight line on the west flank. Test work has proved that wells to the east of these producers strike naphtha production. Consequently crude oil cannot be expected at points very far to the east of the "crude production line." How far the crude oil area extends to the west, however, is a matter which will be decided this year when the drilling programme to cost $9 millions gets under way. To what degree to the north the "crude production line" extends will be determined largely by results at the Dalhousie No. 8 well, about five miles north of Turner Valley Royalties.

Dalhousie No. 8, being drilled by the Dalhousie Co., which is controlled by the Royalite company and in turn by Imperial Oil, Ltd., has encountered the limestone and this, at any rate, shows that the structure extends north to the Dalhousie 8 location. How far the crude oil area extends to the south will be indicated by drilling operations scheduled to be commenced some distance south of the Foundation well.

#### West Flank Purchase

One of the largest deals completed recently was the purchase of control in the West Flank Oil Company, Limited by the Anglo-Canadian Holding and Development Company, Ltd., for $250,000, the sum of $150,000 being paid as a down payment and the remainder undertaken to be paid in four months. Only holdings of the West Flank Oil Company, Ltd. are 400 acres in south Turner Valley including 80 acres in Section 32 a short distance northwest of the Turner Valley Royalties producer. This actually means that $250,000 was paid for controlling interest in 400 acres on the southwest Turner Valley structure—a price of $625 an acre. The West Flank company has undertaken to drill a well at once in Section 32 with the initial $150,000, the usual cost of completing a well in the limestone in Turner Valley.



***WHAT REVIVED ACTIVITY IN OIL SHARES***

When Turner Valley Royalties brought in this crude producer in mid-June, 1936, it revived public interest in the possibilities of western oil fields and initiated the current activity in oil shares. Starting with an initial daily flow estimated at approximately 900 bbls. of crude oil the Turner Valley Royalties well has maintained a flow of about 800 bbls. daily.

The approach to the well through the Turner Valley from Calgary is spectacular to the visitor. In addition to the numerous derricks of drillers with the Rocky Mountains as a background, the scene is brightened, particularly at night, by the bright orange flares, burning incessantly, to consume millions of feet of unsaleable gas. The Turner Valley Royalties well produces comparatively little gas. The crude oil, which has a Baume gravity of 44 degrees, looks like cold tea. When the well was visited by a member of The Financial Post's editorial staff about two days after this photograph was taken, the oil was gurgling through a 4-inch pipe into the tank shown at the right immediately in front of the smoke stack.

Most Turner Valley wells produce wet gas, from which naphtha is extracted and the unsaleable gas burnt in the flares. The hope of many investors in western oil shares is that their companies too will bring in real producers of saleable crude rather than merely contribute to the waste of gas in the western fields.

#### Market Assured

This is accepted by oil men. There will be no lack of a market for Turner Valley crude production. All the naphtha produced in the field must be treated with crude oil to produce gasoline. Huge imports of crude oil from the United States have been needed for many years to fulfill this function. There is the fact, too, that gasoline can be extracted very easily from the light crude oil produced on the southwest flank of the field.

Also, the whole Dominion depends almost exclusively upon the United States and countries in South America for petroleum and products of petroleum. In six months ended Sept. 30, 1936, the Dominion of Canada imported petroleum products to the value of $28,677,909, mainly from the United States.

In the opinion of General Garnet Hughes, of Toronto, son of the late Sir Sam Hughes, large crude production from Turner Valley would interest the British Admiralty. General Hughes said at a banquet given by oil men in honor of Hon. N. E. Tanner, minister of lands and mines, that a source of crude oil supplies in Canada would be invaluable to the British Navy in time of war. Cost of constructing pipe line to carry Turner Valley crude to the Pacific Coast would be a small item to the British Admiralty, he declared.

#### Refinery Plans

A. H. Mayland, president of Mercury Oils, Limited, has announced that plans have been drawn up for erection of a $500,000 refinery which would "crack" gasoline from Turner Valley crude.

So Turner Valley will have a market for its product and oil companies will not face a situation which developed in the United States a few years ago when excessive production brought about a disastrous fall (to producers) in the price of crude oil and crude oil products.

If the west flank of Turner Valley is a great crude oil producing field that fact will certainly be brought to light this year. So far some 60 new wells, all located on the west flank of the valley structure, have been announced, and most of them, according to written agreements, with the lessors of the land, must start drilling before this summer. Each well will cost approximately $150,000 to complete in the limestone. Consequently the present projected development programme will call for an expenditure of $9 millions. And more projected drilling announcements are being made almost daily. The 60 wells do not include the Home Oil development programme, for instance.

The wells now active, recently spudded or to be spudded in the near future:

#### Active Wells

Apex, British-Trans Canada.
Brown No. 1, Brown No. 2, Brown No. 3, Brown No. 4, Brown No. 5, Brown No. 6.
Commoil.
Command.
Consolidated.
Coronation.
Dalhousie 8.
D. and D.
Davies Petroleum.
Del Bonita.
Economy.
Firestone.
Frontier.
Globe Royalties.
Granville.
Highwood-Sarcee 5.
Kermac.
Fradkin Marine.
Model 4.
Model-Spooner-Reward.
Monarch.
Mutual.
National Petroleum 1.
Roxana 2, Roxana 3.
National Petroleum 2.
Richland 1, Richland 2, Richland 3.
Rich-Well 1.
Royal Canadian.
Shamrock, Share.
Spy Hill.
Royalite-Sterling 4, Royalite-Sterling 5.
Sundance.
Sunalta.
Sunburst.
Sunset.
Union Drilling 2.
United.
Westside.
West Turner.
Woodhall.
York 1, York 2.
West Flank.

#### Financing Wells

Fresh units formed to work on the crude oil area are either being financed by the sale of royalties or by sale of stock. Many of the companies selling stock have undertaken to set aside revenue from a large proportion of the production — if such is obtained — for distribution to shareholders at regular intervals. This money is to be held for this purpose by a trust company.

On the basis of the present price being paid for crude oil of the gravity of that produced by B. and B., the B. and B. Royalties company is obtaining a revenue of about $2,000 a day from its one producing well.

Outside Turner Valley many companies are endeavoring to prove up crude oil fields in many different sections of the province.

One of the most important of these tests is the Arca well, privately financed by Imperial Oil Ltd., the Calgary and Edmonton Corp. and interests associated with the Canadian Western Natural Gas, Light, Heat and Power Company Limited. This well has made drilling history by attaining a depth of more than 8,900 feet. This is the greatest ever reached by a well in the British Empire, although it is about half a mile shallower than the deepest well in the world, located in the Ventura field in California. Arca, which is located on a new field west of High River, struck the limestone at a depth of about 8,800 feet, and thus proved the field structurally, at least. A strike in this new field would open up thousands of acres for development, most of which is held, however, by some other firms including Ranchman's and Graystone companies.

#### Hunter Valley Test

Another important test is that of the Hunter Valley Oil Company, Limited, on a structure about 60 miles west of the town of Olds, north of Calgary. This well has, so far, been carried to a depth of more than 7,000 feet, and there are indications that the limestone will be reached. Samples of the formation brought up to the surface are described as streaked with lime.

On a field just east of the Turner Valley structure, the New Valley well is also being drilled below 7,000 feet. The only lubricating crude oil in any considerable quantity so far found in Alberta is said to have been struck at New Valley. Unfortunately, however, there is little gas pressure to raise it to the surface and the company is continuing drilling in the hope of striking more gas.

On the Aldersyde area the Ranchmen's company is continuing drilling a test which has been in progress for years. Some oil has been taken from the hole, but the well is not considered a commercial producer at the present time.

#### Unusual Structure

On the Kootenay Dome, west of Calgary, the Roxana company is drilling a well under very unusual geological conditions. The limestone was encountered at a very shallow depth and now, at a depth of about 800 feet in the limestone, the Roxana company expects shortly to strike the Banff shales, a horizon believed to be on top of much older limestone — the Devonian, from which large production has been obtained in American fields. Roxana has announced drilling plans for acreage recently acquired on the west flank of Turner Valley.

On the Birch Ridge structure in southern Alberta, the Elbow Oil Company are drilling a well, now approximately 5,000 feet deep. Oil and gas showings are reported to have been encountered.

Operations at the Sunshine well on the Del Bonita structure not far from the international boundary line are being watched with interest. The well has been drilled into the lime, with showings of crude oil reported in the hole. Drilling has been delayed by severe weather conditions but was again resumed this week.

A production test is scheduled to be made at the Weymarn well on the Pincher Creek structure. This well was drilled with rotary equipment by Weymarn Petroleum, Ltd., backed by Norwegian capital. Oil and gas showings coming through the rotary mud are said to justify a test of production. This will be accomplished by bailing the rotary mud and endeavoring thereby to bring the well in by its own gas pressure when the rotary mud lever has been lowered sufficiently. The well is down 5,950 feet.

#### Other Tests

Other important tests of new fields are located on the Pekisko, Taber, Waterton, Moose Dome, Highwood-Sinclair structure, south of Turner Valley, because its site is not far north of the ranch owned by the Duke of Windsor, formerly King Edward VIII. Another well, Pekisko 1, located just a few feet from the northern boundary of the Royal ranch is idle at 4,400 feet. Expectations are that drilling will be resumed at a later date. The Banner well is being drilled from 2,775 feet.

***OIL IN THE FOREST***

Oil development, to the average layman, is generally identified with a picture of great open and often barren spaces with derricks standing out alone against the horizon. The unusual photograph above shows a well blowing in the middle of a tract of western Canadian bushland. Surrounding trees and undergrowth have little chance of survival when the black fluid spouts from the earth spraying everything in sight. Oil and forest wealth seldom go together.

## A Trail of Good Intentions ~

### Aberhart at Close of 18 Months' Test Period Puts Record of Unfulfilled Promises Before People of Alberta

From Our Own Correspondent

EDMONTON.—Premier Aberhart has put his 18 months record before the people of Alberta, has admitted failure to carry out his plans and has asked them to advise him whether to resign or to continue his efforts to fulfill his promises.

Using his now traditional outlet of the Prophetic Bible Institute pulpit, Alberta's prophet-premier this week declared that he was not quitting his post unless the people desired it, and proposed the somewhat unconstitutional procedure of getting his constituents' stand while still hanging fast to the reins of office.

Apparently to allow time for his trip to England to attend the coronation of King George VI, Premier Aberhart has asked that no official opinion be recorded until next June.

Meanwhile he will welcome expressions of opinion at any time.

#### Significant Date

For a government to fail in 18 months to fulfill its main intention and its chief election promise may not be strange, as far as ordinary governments are concerned, but in Alberta the date March 3, 1937, has special significance, for it marks the elapse of 18 months since Mr. Aberhart became premier and the time in which he promised to begin paying $25 a month to all bona fide citizens.

The position taken in March, 1934, by Mr. Aberhart, in speaking to the legislative enquiry into the Douglas theory, at Edmonton, was that Social Credit would "solve the depression."

#### Promised Prosperity

The main argument of the Social Credit platform, drawn up April 5, 1935, was that creation of social credits by the Government would permit people to pay their debts, buy all the goods that could be produced, and achieve an unexampled prosperity.

The position taken by Mr. Aberhart in his election Manual, June, 1935, was that the root trouble lay in lack of purchasing power and the remedy in increasing it by issuing Social Credit. The remedy, said the Manual, was a "wondrously simple plan" with three features, issue of dividends, automatic price control, and a continuous flow of credit.

If these things constitute the remedy, Mr. Aberhart has failed to provide it.

But the most energetic efforts of the Aberhart Government have been devoted to objectives quite aside from these. Mr. Aberhart's first objective, after taking office, was to put provincial finances in order, to establish a "sound basis" for Social Credit, he said. He chose measures mainly orthodox, sought loans from Ottawa. Nothing was said of this in the election campaign.

#### Interest Cuts

Later, the Aberhart Government sought to reduce arbitrarily the interest rates on Government debts. This again was something else than offered in the campaign. Later still, the Government sought to compel reduction of private debts by enacting a reduction in interest.

All this was without Social Credit. These measures revealed the Aberhart movement to be not a crusade marching toward a Social Credit Utopia, but an uprising against property rights vested in the interest clauses of private contracts and public debentures.

#### Dividend Promised

On July 14, 1936, Mr. Aberhart was asked if dividends would be due by March 3, 1937, and he replied: "I still stand by the 18 months and have never said anything else." He repeated that $25 a month would be "a starting point, which can be increased later, as I have said on previous occasions."

Only in the case of Social Credit was a time limit placed on fulfillment by Mr. Aberhart, though there was a variety of election promises. One contained in the party's platform was "cessation of borrowing." This has been accomplished as far as the sale of bonds is concerned, as a result of policies making borrowing impossible. Receipt of assistance from the Federal treasury has scarcely diminished. On Aug. 31, 1935, the debt was $153,923,027, and on Sept. 30, 1936, latest date for which a figure is available, it was $160,325,681. The increase in 13 months was $6,402,654.

Chief catch phrase of the Aberhart campaign was "creation of our own credit." The Social Credit Government has not performed this promise, and credit in Alberta is still provided from banks and financial institutions.

#### Just Price

Establishment of a "just price" system of values, a key proposal of Aberhart doctrine, likewise has not materialized. Retail codes with price-fixing provisions were put into force, but this measure revealed no clear connection with the "just price" idea. In any case, price-fixing provisions have been dropped.

The Premier announced he intended to balance the budget before issuing dividends. Within a week of taking office he went to Ottawa, asked the Bennett Government for $18,389,000 and received a loan of $2,250,000 to carry him past the Federal election. The King Government loaned Alberta another $1 million shortly after it came in, and a few months later another approach to Ottawa yielded a further $3 millions. In the first seven or eight months of a Social Credit Government, Alberta borrowed an average of about $1,000,000 a month from Ottawa.

When Mr. Aberhart engaged R. J. Magor, Montreal, as "financial adviser" late in 1935, he roused misgivings among some of his followers who wished to avoid orthodox measures. Mr. Magor reported a cash loss for Alberta in 1935 of $9,546,310, and helped to draft the first budget of the Social Credit Government. It increased taxation by well over $3 millions and provided a sales tax.

#### 103 Bills

When the first session of the Legislature closed April 7, its main accomplishment lay in the amount of legislation approved (103 bills were brought in) and not in progress toward the Social Credit goal.

The Social Credit Measures Act authorized an enquiry into plans for equating consumption and production in Alberta, and provided that the Government could put into effect any plan it chose, by order-in-council. The only scheme launched under this Act was the ill-fated prosperity scrip scheme of last summer.

Nothing had been said during the election campaign by Mr. Aberhart about experimenting with a substitute for currency after the style of stamp scrip, advocated originally by Silvio Gesell, a self-made economic theorist whose proposals for monetary reform belong to quite a different school of ideas from those of Major Douglas. Scrip, said Mr. Aberhart, would not be Social Credit, but a step toward it. It would start a business boom in Alberta, provide work for the unemployed, and train the people to "use their own credit." Aside from the fact that relief workers were glad to have scrip, which the Government maintained on par with cash, none of these forecasts materialized. The scrip did not last long.

#### Debt Reductions

But it was the Aberhart Government's handling of the problems of bond interest and reduction of private debts that established its reputation as a radical administration and disclosed its true intentions regarding reform. Late in March, as the maturity date on April 1 of a $3,200,000 bond issue was approaching, Edmonton and Ottawa fell into a deadlock regarding further Federal assistance for Alberta. Mr. Aberhart torpedoed Hon. C. A. Dunning's loan council proposal for supervision and regulation of provincial advances. At the same time, the Social Credit Legislature was rushing through a measure to compel refunding. This measure was never proclaimed. Without help Alberta defaulted. In May, 1936, Mr. Aberhart again visited Ottawa seeking a Federal guarantee to allow refunding. Shortly after his return, the Cabinet at Edmonton passed an order-in-council cutting interest on Government bonds to an average of 3%. This order was covered later by legislation at the special session in August. Its act was challenged in the courts, to be ruled ultra vires on Feb. 23, 1937.

The leading Aberhart measure dealing with private debts was the Reduction and Settlement of Debts Act, Sept. 1, 1936. The Act was challenged in the courts, and declared ultra vires on Feb. 19, 1937. The Government invoked a 60-day moratorium to allow it to formulate new policies.

#### Social Credit Plan

Unlike the Aberhart debt policies, which were put into force and proved to be ill-considered, the Social Credit plan was enacted as law, but not put to the test of practice. The Alberta Credit House Act, Sept. 1, 1936, was based on the proposals of the Aberhart election manual. It provided for credit houses and, in many localities, Social Credit members arranged for sites. Such arrangements were dropped later without explanation. The fact seemed to be that the Government belatedly recognized that its plan was impracticable.

This recital of events brings us approximately to the opening of the current session of the Alberta Legislature, which finds the troubles of the Aberhart Government heavily accumulated after one and a half years of endeavor. The period of political honeymooning has passed, and the high enthusiasm of a year ago is blunted. The performance is likely to be more sober from now on.

#### Given His Chance

There is a general feeling in Alberta that Mr. Aberhart has had the opportunity he asked for. What of the future? In general, opponents of the doctrines expounded by Aberhart have recognized they were powerless to stand against the political tidal wave he called into being in 1935. That wave is subsiding, and with the elapse of 18 months a new era of active political opposition to the Aberhart movement was reached.

In general, there was nothing for Alberta to do but to try out the Aberhart solutions to economic problems. In regard to debt, bond interest and scrip, the tests have been made and the error demonstrated. As far as Social Credit dividends are concerned, few people still think they are going to get them. It has become clear there is not much of an audience in Alberta for advices to the effect that Social Credit dividends are possible—as Major Douglas and John Hargrave, to mention two, still contend. If the Aberhart Government goes on to completion of a five-year term, as many Albertans think likely, it has done little so far to support a case that it can still establish Social Credit.

This leaves Alberta with a freak Government on its hands, with a record of unfulfilled promises, and a stony path ahead in getting back into step with the rest of Canada.

# Many Important Names Among Turner Roster

## Analysis of Western Canada Oil Firms Discloses Many "Old-timers" in List

With the discovery of crude oil on the west flank of Turner Valley, a great many of the "old line" companies have taken on life through leases or share or royalty interests within or adjacent to the proved area.

Below is given a list of representative companies falling into this category. No companies formed within the past six months are included, nor is mention made of a number of companies whose chief interests are in other parts of Turner Valley or on semi-proved structures elsewhere in the western province, such as Hunter Valley Oil Co., Mar-Jon, New Valley, Nordon Corporation, Pacalta, Ranchmen's, Plains Petroleum, Roxana, Sunshine, Vanalta, and Weymarn.

The list is not intended to be all-inclusive, and a number of other companies including Royalite Home Oil and Calgary and Edmonton, are covered elsewhere in this issue.

**Alberta Pacific Consolidated Oils Ltd.** has a substantial interest in nine crude oil wells in Montana which are producing approximately 150 barrels daily. Holds leases comprising over 11,000 acres in various Alberta fields including south Turner Valley, 3,070 acres in the Del Bonita field, 160 acres in New Valley, 160 acres on the Watson structure, where drilling is in progress; 3,840 acres in the Brazeau area where Home Oil Co. plans activity this year; and on other structures.

Royalty interests are reported to include 8% in B. and B. Royalties and 3% in Turner Valley Royalties, both of which are producing crude oil; 12½% on 320 acres payable by Vanalta Ltd. which has six producing wells; 3% in Westside and 5% in Newfold which are nearing completion in south Turner Valley: and others. It is understood an interest was acquired in 1935 in the Weymarn well which is nearing completion on the Weymarn structure and this contract carried with it 640 acres of surrounding land.

Recently the company was reported to have purchased 40,000 shares of Monarch Royalties which is drilling in southwest Turner valley about three-eighths of a mile northwest of the producing Foundation well. The company is also interested with McDougall Segur Exploration Co. in the formation of Sunset Oils which plans drilling half a mile west of Foundation.

An initial dividend of two cents a share was paid July 15, 1936. As at February 2, 1937, 2,354,252 shares were outstanding.

**Anaconda Oil Co. Ltd.**—This company's holdings comprise over 5,000 acres in various Alberta fields, several of which are currently being drilled. Royalties are also held in several producing wells. Particular interest at the present time attaches to several leases along the west flank of Turner Valley which are reported to have been sublet during February, 1937, to undisclosed interests, who plan drilling some three-quarter mile west and one-quarter mile south of the Sterling Pacific No. 3 well, the crude oil producer owned and recently completed by Royalite Oil Co.

There were 1,892,540 shares outstanding as of May 31, 1936.

**British Dominion Oil and Development Co. Ltd.**—Holdings consist of over 500 acres in Alberta including 160 acres in Turner Valley. The No. 4 well in which the company retains approximately a 52% interest is producing 80 to 100 barrels of disvolored naphtha daily. The south Turner Valley lease is so located that an offset well could be drilled southeast of the B and B Royalties crude producer and, it is understood, drilling is planned in the near future.

Authorized capital consists of 750,000 shares, of which 546,656 shares were outstanding as at March 31, 1936.

**Commonwealth Petroleum Ltd.**—In addition to ownership of over 19,000 acres of potential oil lands in Alberta the company reported other interests in October, 1936, to include 1,000 shares Royalite Oil, 14,000 shares McDougall-Segur Exploration Co. of Canada, 40,000 shares Fulton-Commonwealth Oil Co. which has producing wells in Montana, 21,757 shares French Creek Hydraulic Placers Ltd., 60,000 shares Osoyoos Mines Ltd., and a 5% royalty in B and B Royalties, 4% in Newfold and 4% in Westside.

The company recently organized Comimoil Ltd., which has commenced drilling on an 80-acre lease on the west flank of Turner Valley about one-half mile west of the Turner Valley Royalties and B. and B. wells. Commonwealth retains a substantial interest in this new company.

Authorized capital consists of 2,000,000 no par value shares of which 1,175,582 shares were outstanding in October, 1936.

**Calmont Oils Ltd.** — Calmont's holdings comprise over 8,000 acres on Alberta structures including the Watson, Moose Dome, New Valley, Ranchmen's and Turner Valley. Of more immediate importance is the fact that the company owns several drilling units which have been rented to operating companies on a royalty basis. Interests acquired in this manner have included 15% in B and B Royalties, 6% in Turner Valley Royalties, 12% in Sovereign Royalties, 5% in Century Royalties, all of which are producing, and 13% in Westside, 5% in Newfold, and 7% in Mar-Jon No. 3, which are drilling. Records do not indicate whether the royalties in Turner Valley Royalties, Sovereign and Century are still held, but it is understood the remaining interests have been retained along with several others.

As each well is completed, the Calmont equipment again becomes available for renting to other companies which are preparing to drill.

The company was recently reported to have acquired 50,000 shares of Commoil Ltd., a new company formed by Commonwealth Petroleum Ltd., which has commenced drilling on the west flank of Turner Valley.

A total of 2,106,163 shares were reported outstanding in October, 1936, out of 3,000,000 shares $1 par authorized capital.

**Dalhousie Oil Co. Ltd.**—This company is controlled by Royalite Oil Co. Property comprises 1,440 acres in Turner Valley on which there are four producing wells. Current interest attaches to its No. 8 well which is nearing completion. This well is roughly five miles northwest of the Sterling Pacific No. 4 crude oil producer, and its successful completion would not only enhance the value of adjoining Dalhousie land. but would go far toward proving up the west flank acreage between Dalhousie and the present proved zone. Three millions shares are authorized and outstanding.

**Foothills Oil and Gas Co. Ltd.**—Imperial Oil owns approximately 85% of outstanding stock. The 1,690 acres held in Turner Valley is of some potential value and the company has two small naphtha wells. Foothills owns a controlling interest in Southwest Petroleum Co. Ltd., whose holdings are located midway between Sterling Pacific No. 4 producer and Dalhousie No. 8 well.

Foothills is capitalized at 5,000,000 shares of which 1,462,005 were issued as at Dec. 31, 1935.

**Foundation Petroleum Ltd.**—Incorporated in 1936, this company has a 40-acre lease on the west flank of Turner Valley, where it brought in a crude oil well early in December, about one and a half miles south of the Turner Valley Royalties well. Some obstructions in the hole delayed satisfactory production, but adjustments are now practically completed. A second well could be drilled on the lease, although this has not yet been officially considered. The company also owns 500 acres in the Pincher Creek field. Holders of the 1,100,000 outstanding shares are entitled to 77½% of the net production of the well. It is understood production has been estimated at about 350 barrels daily and a definite announcement is expected as soon as the flow is adjusted to its most economical rate.

**Freehold Oil Corp. Ltd.**—Several leases are held in Turner Valley including 80 acres on the west flank north of Dalhousie No. 8 well and another lease half a mile west of Sterling Pacific No. 3 well, acquired at a government auction in Dec., 1936. The company has a 40% interest in production of the Union Drilling-Freehold well but disposed of other interests to Royalite in 1936 for 1,850 Royalite shares. It has not been reported if these shares are still held.

Authorized capital was increased from 1,000,000 to 3,000,000 shares in Jan., 1937 and 300,000 shares were sold to bring the outstanding amount to approximately 1,261,322.

**Highwood-Sarcee Oil Ltd.**—The company owns approximately 2,600 acres in Turner Valley, a large part of which is in townships 17 and 16, south of the new crude oil producers. Substantial interests are held in several leases on which two naphtha wells are producing and an offset well is planned to the Westside well in township 18. The company also has a 6% net royalty in the Newfold well and recently acquired 80 acres on the west flank about three miles northwest of Dalhousie No. 8 well. It is understood financing has been arranged for a drilling programme.

When last reported there were 1,569,643 shares issued out of 2,000,000 shares authorized.

**Lowery Petroleums, Ltd.** — The company owns 160 acres in one block about three miles northwest of Sterling Pacific No. 3 well. One well drilled under profit sharing agreement by Imperial Oil in the northeast portion of this block is producing discolored naphtha, but the western portion may be potential crude oil land as it is on the west flank of Turner Valley. No new drilling programme has been announced as yet.

The entire 500,000 authorized shares have been issued.

**The McDougall-Segur Exploration Co. of Canada Ltd.**—Properties are located on the Comrey structure, and in Turner Valley where two wells are yielding small production. The company's security portfolio as at March, 1936, included 5,600 shares Royalite Oil, 67,000 shares Osoyoos Mines, 5,000 shares French Creek Hydraulic Placers and 20% royalty in Widney Oils. Later in 1936, royalty interests of 11% in Turner Valley Royalties, 5% in B. and B. Royalties and 2% in Sovereign Royalties were reported held.

Current interest attaches to its participation in the recently formed Sunset Oils, with McDougall-Segur reported to hold at least 200,000 shares and a 5% gross royalty. The new company plans to drill on Turner Valley west flank acreage, half a mile west of the Foundation well.

Authorized capital comprises 3,000,000 shares of which 2,868,594 shares were issued as at March 31, 1936.

**Mercury Oils Ltd.**—Holdings consist of 1,725 acres, including 820 acres in Turner Valley where three well are producing. The company also has a one-third interest in Mercury No. 2 and No. 3 producing wells and is a substantial shareholder in Mill City Petroleums, Miracle Oils, Rialto Oils, and in Gas and Oil Products Ltd. which operates an absorption plant. Erection of an oil refinery to serve this group of companies was recently announced by A. H. Mayland.

It is planned to drill three wells in 1937, adjacent to the Sterling Pacific No. 3 crude oil well.

Dividends totalling 12 cents a share have been paid since 1930. Shares numbering 3,213,166 were outstanding at the end of 1935, with 1,786,834 shares remaining in the treasury.

**Model Oils Ltd.**—This company leases include 600 acres in Turner Valley and some 8,000 acres in the Ranchmen's, Watson structure, Moose Dome and other fields. Six wells are producing in the Red Coulee field and three in north Turner Valley, including the well-known Model No. 1 which, after more than six years of steady production, is flowing at the rate of approximately 150 barrels of crude oil daily. The company paid its seventh dividend of three cents a share on March 2, 1937. Of the 1,000,000 authorized shares 995,510 are outstanding.

The company has a 2½% gross royalty and a further 17½% interest in the No. 1 well of Reward Oils which is being drilled midway between B. and B. Royalties and Foundation It is also understood Model owns a 40-acre lease 1¼ miles southwest of the B. and B. well.

**Okalta Oils Ltd.**—Okalta, with over 3,800 acres of leases in Turner Valley, sprang into prominence recently when it was realized that this company was the largest holder of land west and south of the Foundation well on the west flank. Subleasing agreements have been signed providing for the drilling of some 40 wells, and options have been granted on an additional 19 subdivisions. At least 16 of these wells must be started in the near future, and all are being drilled by various operating companies at no cost to Okalta. In nearly all cases it is provided that Okalta shall receive 10% of gross production or 15% if a well produces over 500 barrels a day. It is also understood a site has been selected on which Okalta will drill a well.

As at Dec. 31, 1935, 1,800,000 common shares of no par value were authorized and issued, but 132,650 shares were held in trust for the benefit of the company at that time. Preferred shares totalling 4,500 were outstanding out of 7,500 shares authorized. Par value of the preferred is $60, there having been capital distributions totalling $40 made from time to time.

**Southwest Petroleum Co. Ltd.**—The company owns all of section 8 in township 19, Turner Valley. Its well in the northeast portion is producing discolored naphtha, but a considerable part of section 8 is on the west flank of the Valley and according to theories at present held, is potentially capable of yielding crude oil. No drilling programme has been announced as yet.

Authorized capital consists of 1,000,000 shares with 750,006 shares issued according to the 1935 annual report. Of this amount, approximately 58% is held by Foothills Oil

(Continued on page 17)

# Home Oil Co. Explores Again

## Re-enters Alberta Field—Rights to Shareholders Finances Operations

Home Oil Co. is a development and holding company holding oil properties in Turner Valley, the most promising of which are on the west flank of the valley, and near the international boundary in Alberta. The company also has important investments in British Columbia mining companies and other oil companies, the most important of which include: 2,000 shares of Bralorne; 4,700 shares of Pioneer Gold; 20,000 shares of Royalite Oil; 50,000 shares of Sunshine Oils; a 3% royalty on Sovereign Royalties well.

In 1934 Home Oil sold its Turner Valley properties to Royalite, as a result of which deal it obtained its present holdings of Royalite stock. In 1936 it decided to become active again in exploration for oil in Alberta and acquired 12,521 acres in Alberta, of which 720 acres is on the northwest flank of Turner Valley. 4,000 acres is west of the Red Coulee field on the international boundary and additional acreage is in other parts of the Turner Valley.

Interest in the company at present centres on its efforts to discover oil on its newly acquired acreage, some of which appears to be advantageously situated with regard to the crude oil pool now being developed.

Home Oil's only source of income since sale of its Alberta wells to Royalite in 1934 has been from its investments and in 1936 a net profit of $22,018 was realized compared with $15,655 in 1935. Earnings amounted to 2½ cents per share in 1936. Directors of the company have decided to devote resources toward active development of its holdings rather than payment of dividends

The company's balance sheet as at Dec. 31, 1936, showed cash of $40.841 and current liabilities of $6,295. Investments in mining and oil companies are shown at market value of $1,138,225.

Rights to purchase one additional share for each share held as at Feb. 15, 1937, were offered to shareholders in Feb., 1937. Rights are exercisable at $2 per share and expire March 15, 1937.

Genuine Development in the West

•

The Company controls approximately 6,500 acres on the semi producing structure at Del Bonita, Alberta.

•

No. 1 well has been drilled to a depth of approximately 5,230 feet, 24 feet in Madison Lime.

•

The Company is adequately financed to carry out complete operations.

•

SUNSHINE OILS LTD.

Hall Bldg. Vancouver, B. C.

HOME OIL COMPANY

LIMITED

*Officers and Directors*

**Chairman:**
GEN. J. W. STEWART

**President:**
NELSON SPENCER

**Vice-President:**
VICTOR W. ODLUM

**Secretary-Treasurer:**
GEO. F. V. HUDSON

**Directors:**
STANLEY BURKE
MANNING W. DOHERTY
J. W. deB. FARRIS
A. L. HAGER
E. GERALD HANSON
R. H. B. KER
JAMES R. LOWERY
W. H. MALKIN
VICTOR W. ODLUM
NELSON SPENCER
J. W. STEWART

**The following extracts are taken from the Annual Report for 1936.**

The following holdings were acquired by your Company during 1936:

1. 1,021 acres on the west flank of Turner Valley.
2. 7,500 acres in the north and west of Turner Valley.
3. A one-half interest in the Brazeau Development Co. Ltd., which owns permits covering approximately 64,500 acres on the Brazeau structure in Alberta.
4. A permit on 4,000 acres near the International Boundary.

The holdings of your Company, other than oil acreages, at December 31st, 1936, were as follows:

| | |
|---|---|
| Dominion of Canada Bonds 4%, 1952 | $50,000.00 |
| Dominion of Canada Bonds 3½%, 1949 | $50,000.00 |
| Dominion of Canada Bonds 3%, 1955 | $25,000.00 |
| Bralorne Mines Limited | 2,000 shares |
| Pioneer Gold Mines of B. C. Limited | 4,700 " |
| Royalite Oil Co. Ltd. | 20,000 " |
| Pacific Eastern Gold Limited | 440,000 " |
| Placer Engineers Ltd. | 100,000 " |
| Sovereign Royalties Ltd. | 3-1% Royalties |
| Sunshine Oil Co. Ltd. | 50,000 shares |
| Brazeau Development Co. Ltd. | 8,000 " |
| Cash | $40,840.74 |

The Balance Sheet as at December 31st, 1936, shows the following assets:

| | | |
|---|---|---|
| Plant and Equipment at Cost | | $ 75,909.50 |
| Investments: | | |
| Dominion of Canada Bonds, Par Value $125,000.00 at Market Value | $137,656.25 | |
| Shares in Mining Companies at Market Value | 168,225.00 | |
| Shares in Oil Companies at Market Value | 970,000.00 | |
| Alberta Oil Properties at cost | 46,191.63 | |
| Advance to Brazeau Development Co. Ltd. | 12,000.00 | |
| | | 1,334,072.88 |
| Current Assets: | | |
| Dividends and Interest accrued on Investments | $ 2,458.73 | |
| Cash in Banks | 40,840.74 | |
| | | 43,299.47 |
| | | $1,453,281.85 |

*Transfer Agents:*
THE LONDON & WESTERN TRUSTS CO. LTD.
Toronto Winnipeg Vancouver
CHARTERED TRUST & EXECUTOR CO.
in Montreal.

HOME OIL COMPANY LIMITED
PACIFIC BUILDING — VANCOUVER, B. C.

COMMONWEALTH PETROLEUM, Limited

**Authorized Capital: 2,000,000 Shares. No par value. Issued: 1,175,582 Shares.**
**Listed on Montreal, Toronto, Vancouver and Calgary Exchanges.**
**Transfer Agents: London and Western Trust Co. Ltd., Toronto and Vancouver.**

**PROPERTY INTERESTS:** Commonwealth Petroleum, Limited, owns over 19,000 acres of potential oil lands in the Province of Alberta.

**ROYALTY INTERESTS:**
10% Cutbank Oil Syndicate.
5% B and B Royalties Limited.
4% Newfold Royalties Limited.
4% Westside Royalties Limited.
4% Command Oils Limited.

**SHARE INTERESTS:** Commonwealth Petroleum, Limited, owns 900 shares Royalite Oil Co. Ltd.
400,000 Shares Commoil Limited.
200,000 Shares Command Oils Limited.
21,757 Shares French Creek Hydraulic Placers Limited.
50,000 Shares Cartier Natural Gas Co. Ltd.
55,000 Shares Osoyoos Mines Limited.
1,250 Shares Pekisko Hills Company Limited.

**OFFICERS:**
President: David J. Young, Calgary, Alberta.
Secretary-Treasurer: Sydney A. Annand, Calgary, Alberta.
Directors: Hon. W. H. Sharpe, Winnipeg, Manitoba, Senate of Canada.
Other Directors will be appointed shortly.
Geologist: T. B. Williams, Phd.
Consulting Geologists: Eugene Coste, E.N. and Dr. J. A. Allan.
Auditor: John H. Williams, C.A.
Banker: Royal Bank of Canada Limited.

COMMOIL LIMITED

**An Alberta incorporation, a subsidiary of Commonwealth Petroleum, Limited.**
**Authorized Capital: 1,500,000 Shares. No par value.**
**Issued for Property 400,000 shares (held in escrow). Issued to Public: 600,000 Shares.**

Commoil Limited owns 80 acres one-quarter mile West of property line of Turner Valley Royalties and B and B Royalties, both crude oil producers. Turner Valley Royalties producing over 650 barrels of crude oil per day and B and B Royalties producing over 1,100 barrels crude oil per day.

Commoil Limited has leased a heavy duty Rotary drilling rig from Calmont Oils Limited and drilling operations commences shortly. The derrick being erected at present time.

**OFFICERS & DIRECTORS:**
President: David J. Young.
Vice-President: Reginald G. Smith.
Secretary-Treasurer: Sydney A. Annand.
Directors: Arthur D. Cumming,
L. F. Clarry, K.C.
All of Calgary, Alberta.

Geologist: Russell V. Johnson, P.E.
Trustees and Transfer Agents: Prudential Trust Company Limited, Calgary.
Auditors: Williams & Williams.
Legal: McLaws, Redman & Lougheed.

***This particular issue having been oversubscribed, this advertisement is being published for information only.***
**Application for listing on the Calgary Stock Exchange has been accepted.**

COMMONWEALTH PETROLEUM, LIMITED
AND
COMMOIL LIMITED
HEAD OFFICE
410 Lancaster Bldg., Calgary, Alta.

# C. & E. Lands Hold Promise

## Drilling and New Leases May Bring New Revenue

Interest in The Calgary & Edmonton Corp. has been reawakened because of the company's ownership of a 12½% royalty in Sterling-Pacific No. 3 well which blew in with substantial production of crude oil three months ago.

The Calgary & Edmonton Corp. has oil and mineral rights on 1,150,000 acres of land both north and south of Calgary, including areas in Turner Valley, Waite Valley, Highwood, Pincher Creek, Cardston, Willow Creek, Drywood, Kootenay River and Taber. The company leases drilling rights on its oil and gas lands and participates in royalties from production in any wells brought in on its properties. It has also leased some coal mining rights.

C. & E. has been receiving royalty payments from 19 gas and oil wells in the Turner Valley area, but in recent years the royalty income has declined. There is now some prospect of increasing income, first from royalties on Sterling-Pacific No. 3; second, from three wells now being drilled, Sterling-Pacific No. 4, Weymarn Petroleum No. 1 and Dranco Oil Co. No. 1; and thirdly, from leases being arranged for drilling in areas south and west of the Turner Valley producing zone.

### Arca Venture

Another venture of particular interest to Calgary & Edmonton Corp. is Arca Development Co. in which it has one-third interest. This venture is drilling on an unexplored structure not far from High River, Alberta, at a depth of about 9,000 feet. This "wildcat" drilling, however, whether successful or not, does not interfere with the company's interests in the southern Turner Valley where the new crude oil well of Turner Valley Royalties has raised hopes of other similar rich production. Royalite Oil has made arrangements to test for an offset to Turner Valley Royalties well on lands of C. & E.

Calgary & Edmonton Corp. has 2,415,100 shares outstanding and earnings since incorporation have ranged from five cents a share in 1930 and 1934, down to two cents a share in 1936. The decline in revenues has been due largely to diminishing pressure from older wells on which the company has royalties. Renewed activity in drilling on properties of Calgary & Edmonton Corp., however, would improve revenues materially if successful wells are developed.

## Promising Oil Fields in British Columbia

Although drilling operations have ceased for the winter months, several interesting locations in British Columbia were the scene of activity last summer. Notable among these was the Columbia well near Sage Creek. This company numbers among its shareholders some of the most prominent businessmen of Vancouver who banded together to "show what British Columbia can do."

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**Red Indian Gold Mines** holding 840 acres in Fairlie twp., Red Lake area, reports that finances for exploration work have been arranged, and that a programme of diamond drilling has been arranged.

# Debtors' Aid Plan Drafted

## Alberta Government Gets Proposals of Loan Bodies

From Our Own Correspondent

EDMONTON.—Proposal for adjustment of mortgages and agreements for sale in distressed areas, to bring interest rates down to 6% and assure advances of seed grain in the coming season, was submitted to the Alberta Government on Feb. 25 by a committee of the Dominion Mortgage & Investment Association and the Mortgage Loans Association of Alberta. Negotiations were initiated by the associations on Feb. 12, and a week later the Reduction and Settlement of Debts Act was ruled ultra vires.

For the purpose of applying the scheme of adjustment, the province will be divided into area "A" and "B," according to Federal crop statistics, the former containing all districts most severely hit by crop failures.

In "A" area, interest on farm mortgages would be reduced to 6% from Jan. 1, 1937. All unpaid interest accumulated to Jan. 1, 1935, would be wiped out, and the maximum amount owing at Jan. 1, 1937, would be principal together with any interest due for 1935 and 1936. A fresh start would be provided for the debtor by consolidating the debt no longer in arrears, under a renewal agreement making the amount payable 5% annually with balance due in 10 years.

During 1937-38-39, if the farmer delivers a one-third share of the crop, notwithstanding that the proceeds may not equal the stipulated payment, the farmer shall not be in default, the balance unpaid being due on next due date. If the one-third share exceeds the annual installment, the excess is to be accepted and applied on the mortgage account.

If the crop were less than the cash value of 10 bushels per acre of No. 2 Northern, current year's taxes would e paid out of the one-third share. The agreement would supplant all former agreements.

In regard to agreements for sale in "A" area, interest unpaid to Jan. 1, 1935, would be cancelled, contract rate of interest reduced to 6%, and failing amicable agreement, the matter would go to the Debt Adjustment Board. All such renewal agreements would be free from the Debt Adjustment Act, and where the Government desires other creditors should make the same measure of adjustment, the Debt Adjustment Board would be instructed to deal with them.

### Concessions Suggested

In "B" area, interest in farm mortgages would be reduced to 6% from Jan. 1, 1937, and in accordance with circumstances, companies would contact borrowers and offer them concessions on interest arrears on the merits of each case. The borrower could accept a renewal agreement and obtain a consolidation, which, once approved by the Debt Adjustment Board, would be final.

In general, cases where proposals have been made under the Farmers' Creditors Arrangement Act, would be excluded. While the companies do not insist that relief in regard to tax arrears, seed and relief liens, be given by municipal, provincial and Dominion authorities, it is suggested this matter might be dealt with.

# Sherritt Gordon Offers New Stock

## Present Shareholders Get Right to Buy on Basis of One For 25

In order to increase the working capital of Sherritt Gordon Mines, the directors have decided to offer for subscription to the holders of its outstanding shares, additional shares of the par value of $1 each. on the basis of one share for each 25 shares held at the close of business on March 24, 1937, at the price of $2.75 per share, payable in full on or before April 14, 1937, according to an official announcement by the company.

No subscription warrants will be issued. as the company has over 26,000 shareholders and the cost of so doing would be very heavy and out of all proportion to any benefits that might accrue to shareholders. No shareholder will be entitled to subscribe for a fractional share, nor will he be entitled to assign his right to subscribe for shares. No applications for rights will be accepted before the close of business, March 24, 1937.

Sherritt Gordon's authorized capital is 6 million shares of $1 par, of which 5,741.357 shares are issued and outstanding as of March 3, 1937. Balance of treasury shares unissued is 258,643 shares. Subscriptions for shares must reach the transfer agents on or before April 14, 1937, at which time all rights to subscribe will lapse.

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**Santa Fe Mines** in Rainy River district reports that 22 assays taken from No. 1 vein along 130 ft. on the 65-ft. level in the south shaft average $48.50 per ton.

# Many Companies In Turner Valley

(Continued from page 16)

and Gas Co., which is in turn controlled by Imperial Oil Ltd.

**Spooner Oils Ltd.**—Acreage held in Turner Valley is well to the east of the west flank. The company has one naphtha-producing well. Royalty interests are of considerable importance to the company, and are reported to include 4¼% in Turner Valley Royalties and 7½% in Newfold, as well as 26% interest in the No. 1 well to be drilled by Reward Oils midway between B. and B. and Foundation. It is believed the 5% royalty held in two 10-acre plots adjacent to the Turner Valley Royalties well might assume potential value if drilling were undertaken on these locations.

Interim dividends totalling nine cents a share have been paid and a capital distribution of 10 cents a share was made in 1936. Par value of the 722,265 outstanding shares was reduced to 90 cents by the latter payment.

**United Oils Ltd.**—It is understood most of the company's acreage is not of great immediate interest, but considerable importance attaches to a 40-acre lease recently acquired on the west flank of Turner Valley, one-quarter mile west and one-quarter mile south of the Foundation lease. It is also understood a 5% royalty is held in B. and B. and 2½% in Newfold, as well as a 26½% interest in Reward Oils No. 1 well. A reported interest in Turner Valley Royalties lacks confirmation.

Approximately 2,630,000 shares are outstanding.

**Vulcan Oils Ltd.**—Although the company holds leases in several areas, these are currently inactive. and for the past few years activities have been centred on the acquisition of royalty interests in a number of wells being drilled in Turner Valley. At the end of Sept. 1936, royalties were held as follows: 13% in Turner Valley Royalties 4¾% in Carleton and 2% in Sterling, which were producing, and 3% in Newfold, 3% in Westside, 10% in B. and B. and 10% in Sovereign. Since that time the latter two companies have completed their wells and Vulcan receives a steady income. It is understood the policy of this company is to acquire additional royalties as its cash position warrants. No dividends have been paid to date.

There were 358,000 shares outstanding in Sept., 1936.

CAPITALIZATION
$500,000
(Non-Personal Liability)
250,000 Participating Preference
Par Value, $1.00
250,000 Common
Par Value, $1.00

ISSUED:
Participating Preference ........120,000 shares
Common (Escrowed) ........250,000 shares

HEAD OFFICE
7th Floor, C.P.R. Building,
Toronto, Ontario.

R. I. CLANCEY, President,
Toronto, Ontario.

FRANK LYONS, Vice-President,
Canton, Ohio.

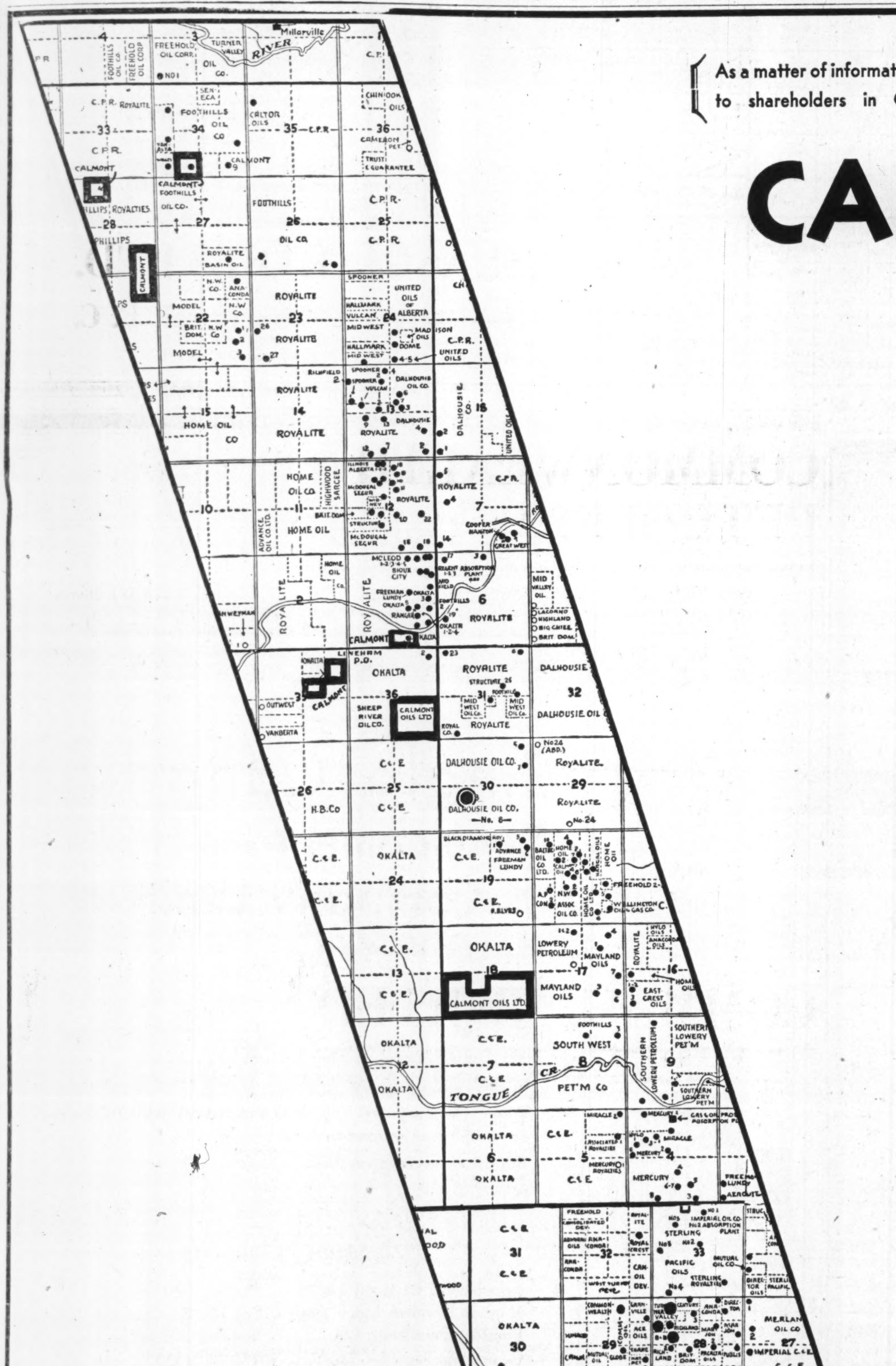
WALTER W. WITTLINGER,
LL.B., A.B., General Manager,
Taber, Alta., and Cleveland, Ohio.

JOHN A. CLARKE, C.A.,
Secretary-Treasurer,
Toronto, Ontario.

Plains Petroleum Corporation
LIMITED
(Incorporated under the laws of the Province of Ontario, 1936)

PROPERTIES AND LOCATION:
The area is forty (40) miles east of Lethbridge on Crow's Nest Branch, Canadian Pacific Railway, and northeast of Cut Bank and Sunburst Oil Fields in Montana, both large producing fields. The Company owns leases on 5,120 acres, all on Majestic Structure, which rests on northern slope of Sweet Grass Arch.

DEVELOPMENT:
Private interests have expended in excess of $150,000 for leases, test drilling and detailed geological work to bring property to present definite state. Deep test drilling in progress. More than 500 Well sites have been located on properties. Company fully financed by Pennsylvania and Ohio Oil Operators.



As a matter of information only
to shareholders in Canada

CALMONT OILS
LIMITED

Authorized Capital: $3,000,000
Issued: 2,112,766, par value $1.00

OFFICERS AND DIRECTORS:

President: Rt. Hon. Lord Askwith, London, England.
Vice-President and Managing Director: Herbert Greenfield, Calgary, Alberta.
Secretary-Treasurer: Joseph Coxon, Calgary, Alberta.
Directors: Sir Francis Price, London, England.
Sir Wm. Cope, Bart., London, England.
Col. A. W. Pryce-Jones, London, England.
Dr. L. A. Maxwell, Calgary, Alberta.
Reginald G. Smith, Calgary, Alberta.

PROPERTY INTEREST:

Calmont Oils Limited own approximately 7,000 acres of oil leases on 14 different structures in the Province of Alberta, including 1,100 acres in Turner Valley of which 280 acres (S½ (except L.S. 6) Sec. 18, Tp. 19, Rge. 2, W. 5th) are two and one-half miles South of Dalhousie No. 8 well, which is drilling in the limestone on the West Flank of the Valley. Also 260 acres (SE¼ Sec. 36 and L.S. 10 and 16, Sec. 35, Tp. 19, and L.S. 2, Sec. 1, Tp. 20, Rge. 3, W. 5th) three-quarters of a mile North and slightly West of Dalhousie No. 8, as well as 160 acres (L.S. 1 and 14, Sec. 28, and L.S. 3, Sec. 34, Tp. 20, Rge. 3, W. 5th) on the West flank close to Model Oils Limited crude oil producer.

EQUIPMENT INTERESTS:

Calmont Oils Limited own four Rotary and two Standard drilling rigs. Three Rotary rigs have been in constant operation drilling wells on the Southwest flank of Turner Valley. One Standard rig is now drilling Mar Jon No. 3 well on the Watson Structure, and one Rotary rig is held in reserve awaiting completion of Dalhousie No. 8. Two Rotary rigs drilling Westside Royalties and Newfold Royalties wells respectively will shortly be completed and will move immediately to other locations in close proximity to B and B Royalties big crude oil producer. The third Rotary rig is being moved to drill Commoil Limited well.

ROYALTY INTERESTS:

Calmont Oils Limited own Royalty interests in the following completed and drilling wells:
B & B Royalties 15%, producing over 1,100 barrels crude oil per day.
Turner Valley Royalties, 6%, producing over 650 barrels crude oil per day.
Sovereign Royalties 12%, producing 85 barrels of naphtha per day.
Westside Royalties 13%, now drilling in lime.
Newfold Royalties 5%, now drilling in lime.
Mar Jon No. 3, 7%, drilling at 5,300 feet.
Maple Leaf Royalties 2%, drilling at 2,700 feet.

SHARE AND PROPERTY INTERESTS:

Calmont Oils Limited own 50,000 shares in Commoil Limited where operations are beginning immediately.

A share interest in Hunter Valley Oils Limited with certain drilling rights.

An interest with three other companies on the Bow and Arrow Structure at the International boundary line. One gas well completed and further drilling under consideration.

Approximately 8% interest on Brazeau-Blackstone Structure of 62,000 acres on which it is anticipated extensive development will be undertaken this year.

Calmont Oils Limited is listed on the Toronto, Vancouver and Calgary Stock Exchanges.

Registrar: Calmont Oils Limited.

Transfer Agents: Toronto General Trusts Corporation, Toronto and Vancouver, as well as Calmont Oils Limited Head Office.

CALMONT OILS LIMITED
HEAD OFFICE:
301 Toronto General Trusts Bldg., Calgary, Alberta

# *New Faces Are Seen Among Western Oils As Activity Extends*

## Number of Companies Incorporated to Explore Alberta Field — Drilling Is Planned in Near Future

A number of western oil companies have been incorporated within the past few months. Some of these have already commenced drilling operations while others plan to start in the near future.

The sudden appearance of dozens of new names has led to some confusion as to the location of these companies in relation to the new crude oil producing wells in Turner Valley. The Financial Post accordingly takes this opportunity of giving salient facts concerning some of these companies. The list also includes several older companies which have recently made public offerings of stock.

* * *

**Alturner Oils** plans drilling in Turner Valley on a 40-acre lease 2¼ miles south of Foundation. Also holds a lease approximately 1¾ miles southeast of Foundation.

* * *

**British Trans-Canada Oils**, 1,240 acres on various structures including 40 acres in Turner Valley, within ½ mile southwest of Sterling Pacific No. 3 well. 3,000,000 no par value shares authorized; 1,250,000 escrowed shares issued for property and $50,000 cash; 600,000 shares offered in February, 1937, at 30c. a share.

* * *

**Brown Oil Corp.** holds three 40-acre leases, one immediately west of Foundation, another ½ mile south and ¼ mile east of Foundation, and a third ½ mile southeast of Dalhousie No. 8. Three wells to be commenced shortly and three offsetting leases held under option. Authorized capital 5,000 6% non-cumulative redeemable $100 par preferred shares and 2,000,000 no par common shares. It is understood over $400,000 subscribed privately for 4,200 preferred shares; and 1,800,000 common shares escrowed. No public participation as yet.

* * *

**Calberta Petroleums** is reported to have acquired a 40-acre lease 1¾ miles south and ½ mile east of the Foundation lease.

* * *

**Command Oils** formed by interests associated with Commonwealth Petroleums, Commoil and Calmont to acquire 80-acre block ¾ mile west of Turner Valley Royalties and B. and B. Royalties. This acreage subject to only 20% royalty including Government royalty. Also holds 40 acres on Highwood structure. 2,500,000 shares authorized; 550,000 shares issued for property; 1,300,000 shares offered in February, 1937, at 35c. a share.

* * *

**Commoil Ltd.**, a subsidiary of Commonwealth Petroleum, holds 80-acre block ½ mile west of Turner Valley Royalties. 1,500,000 shares authorized; 400,000 shares issued for property; 600,000 shares offered in January, 1937, at 35 cents a share.

* * *

**Consolidated Oils** was formed in 1935 to acquire acreage on the Del Bonita, Weymarn, Ranchmen's and Watson structures. Recently secured an 80-acre lease ½ mile north and ¾ mile west of Foundation. Authorized capital 1,500,000 shares of which 578,507 were outstanding in October, 1936.

* * *

**Coronation Royalties** formed through Anglo-Canadian Development and Holding Co. to acquire 40-acre lease about ¾ mile southwest of Foundation lease.

* * *

**D. and D. Oil Co.** holds 40-acre lease 1¾ miles south of Foundation lease and 1,400 acres on other structures.

* * *

**Davies Petroleums** plans drilling on a 40-acre lease acquired from Madison Oils, half a mile west and half a mile south of B. and B. well. Also holds 80 acres, 2½ miles west of Foundation, 20 acres southeast of Foundation, 1,840 acres northwest of Turner Valley and 10,000-acre prospecting permit northwest of the Arca well, in addition to acreage in other fields. 2,000,000 shares authorized; 40,000 shares subscribed at 10c. net; 50,000 shares subscribed by eastern interests at 12½c. net; 350,000 shares offered in February, 1937, at 15c. a share, of which 200,000 shares reported reserved for eastern interests. Latter offering oversubscribed.

* * *

**Economy Royalties** recently acquired 40-acre lease 1¾ miles south and ¾ mile east of Foundation well. Authorized capital, 1,250,000 shares.

* * *

**Firestone Petroleums** formed through Anglo-Canadian Development and Holding Co. to drill ½ mile to south of Foundation. 1,250,000 shares offered of the 2,500,000 authorized 25 cents par value shares.

* * *

**Flank Petroleums** formed by interests associated with Weymarn Petroleums to acquire 160-acre block approximately one mile southwest of Foundation well.

* * *

**Frontier Royalties** formed through Anglo-Canadian Development and Holding Co. to acquire 40-acre lease three-quarters of a mile south and one-quarter mile east of Foundation.

* * *

**Globe Royalties** is commencing work on its 40-acre lease half a mile west and slightly south of B. and B. Also holds acreage on Ranchmen's structure. Authorized capital 1,000,000 shares; offering made in February, 1937, at 25 cents a share. 25% of gross production to be set aside for distribution to shareholders.

* * *

**Granville Oils** holds a drilling site offsetting Turner Valley Royalties on the west. Authorized capital 500,000 shares of $1 par. It is understood Royalite Oil and other companies are shareholders, in addition to participation by the public.

* * *

**Kermac Petroleums** holds a 160-acre block on the west flank of Turner Valley, 1½ miles southeast of Dalhousie No. 8 well. Authorized capital 1,000,000 shares of no par value.

* * *

**Marine Petroleums** holds an 80-acre lease 1¾ miles south and ¼ mile east of Foundation.

* * *

**Monarch Royalties** formed through Anglo-Canadian Development and Holding Co. and is drilling ¼ mile west and slightly north of Foundation. Authorized 2,500,000 shares of 25c. par value; 1,250,000 shares offered.

* * *

**Mutual Oil Co.** was formed in February and plans drilling on a 40-acre lease ¾ mile west and slightly south of the B. and B. well. Company also reported to have a 40% interest (less Government royalty) in the uncompleted Rand Petroleums well. Rand Petroleum shares are understood to be exchangeable for shares to the new company on a share-for-share basis.

* * *

**National Petroleum Corp.**, with 1,400 acres on various Alberta structures. No. 1 well on a 20-acre lease quarter of a mile west and quarter of a mile south of B. and B. well. No. 2 on 40-acre lease, 1½ miles south of Foundation. Also holds 20-acre lease a half mile west of Sterling Pacific No. 3 well. Authorized 1,000,000 shares; 150,000 shares issued to vendors; 50,000 shares subscribed by directors for $40,000. 200,000 shares offered in February, 1937, at $1 a share, carrying one purchase warrant per share.

* * *

**North American Petroleums** holds a 40-acre lease three quarters of a mile north and three quarters of a mile west of Sterling Pacific No. 3 well.

* * *

**Phillips Petroleums** plans to complete a well one mile southwest of Model No. 1 from its present depth of 2,400 ft. 200,000 of the 1,000,000 authorized shares were offered in February, 1937, at 25c. a share. Shareholders to participate in 50% of net production from 400 acres.

* * *

**Prairie Royalties** formed through Anglo-Canadian Development and Holding Co. to drill on 40-acre lease a half mile southwest of Foundation. Authorized capital 2,500,000 shares of 25c. par value; 1,250,000 shares issued.

* * *

**Revenue Petroleum** is understood to have a 20-acre lease half a mile southeast of the Foundation well.

* * *

**Reward Oils** was recently formed by Reward Mining Co. to acquire 40-acre lease midway between the B. and B. and Foundation wells. No. 1 well is being financed by a number of companies, with interests in this well understood to be divided as follows: Government 10%; leaseholder 10%; Model Oils 2½% plus 17½%; Spooner Oils 26%; British American Oil 8%; leaving Reward Oils holding 26% interest in the No. 1 well. Reward Oils is capitalized at 2,500,000 shares, of which 500,000 shares are held by Reward Mining Co. and the remaining 2,000,000 shares understood held under option by eastern interests who have not yet made a public offering.

* * *

**Richland Oils** completing Central Royalties well (now Richland No. 3) in which it holds 25% royalty; well located 440 yds. east of Turner Valley Royalties well and is down over 4,300 ft. No. 2 well (formerly Richfield) in which Richland holds 25% interest is being completed from 4,000 ft. and is located 660 ft. south of B. and B. well. Richland No. 3 (50% royalty) is starting midway between Turner Valley Royalties and B. and B. wells. Authorized 1,000,000 shares, no par value; 800,000 shares outstanding as at Feb. 13, 1937.

* * *

**Richwell Oil Co.** is reported to hold a 40-acre lease one mile south of the Foundation lease.

* * *

**Royal Canadian** is planning to drill a well 1¼ miles south of Foundation and also holds an option on another 40-acre lease half a mile northwest of Foundation.

* * *

**Shamrock Petroleums** formed to acquire 80-acre lease three quarters of a mile west of Sterling Pacific No. 3 and 1,000 acres on other structures.

* * *

**Share Royalties** holds a 20-acre lease offsetting B. and B. well on the southwest. Units consisting of 1% of 80% of production and 5,000 shares of 25 cents par value stock offered in February, 1937, at $2,500 per unit.

* * *

**Spy Hill Royalties** formed through Anglo-Canadian Development and Holding Co. to acquire 40-acre lease half a mile north and slightly west of Foundation well.

* * *

**Sunalta Petroleums** holds a 40-acre lease one mile west of B. and B. Royalties well. Drilling planned.

* * *

**Sunburst Oil Co.** (1929 incorporation) has 20-acre drilling site, quarter of a mile west of a point midway between Turner Valley, Royalties and Foundation. 1,000,000 shares authorized; 250,000-share offering advertised in December, 1936, at 25 cents a share and 500,000-share offering advertised in February, 1937, at 25 cents a share.

* * *

**Sundance Royalties** formed through Anglo-Canadian Development and Holding Co. to acquire 40-acre lease three quarters of a mile south and one-quarter mile east of Foundation.

* * *

**Sunset Oils** was recently formed by The McDougall-Segur Exploration Co. of Canada and Alberta Pacific Consolidated Oils which are reported to have subscribed $30,000 each. Home Oil and Royalite are also understood to have acquired an interest in the company. The 40-acre lease is one-quarter mile west of the west boundary of the Foundation lease and an offsetting lease to the north is held under option. 800,000 shares were subscribed in February at 25 cents a share.

* * *

**Virginia Oil Co.** formed to acquire 40-acre lease one mile east and slightly south of the Foundation well. 1,250,000 shares of 50 cents par value authorized; 350,000 shares issued to vendors; 800,000 shares offered at 25 cents a share.

* * *

**West Turner Petroleums** holds an 80-acre lease half a mile west and quarter of a mile north of Turner Valley Royalties, and other leases totalling 520 acres on other Alberta structures.

* * *

**Westflank Oil Co.** was recently formed to acquire acreage in West Turner Valley. Financial arrangements through Anglo-Canadian Development and Holding Co. and other details are covered elsewhere in this issue.

* * *

**York Oils** plans two wells, one three-quarters mile west of Foundation and the other one-half mile west and one-quarter mile south of Foundation. Offsetting leases to both leases. Authorized capital 2,000,000 shares; 500,000 shares issued for property; 750,000 shares offered in February, 1937, at 50 cents a share.

## North Star Oils Earnings Higher

North Star Oil Ltd., Winnipeg, reports net profit for 1936 equivalent to 57 cents a share on the preferred shares of $5 each, compared with 52 cents a share in 1935. Dividends of 43¾ cents a share were paid on the preferred, leaving one year's arrears of 35 cents a share.

The deficiency in working capital was reduced by approximately $159,000 in 1936. The current liabilities consist largely of accounts payable totalling $1,856,226.

Although no comment is made in the annual report, it is understood that the improvement in earnings is due to better economic conditions in parts of Manitoba and in northwestern Ontario where the company operates.

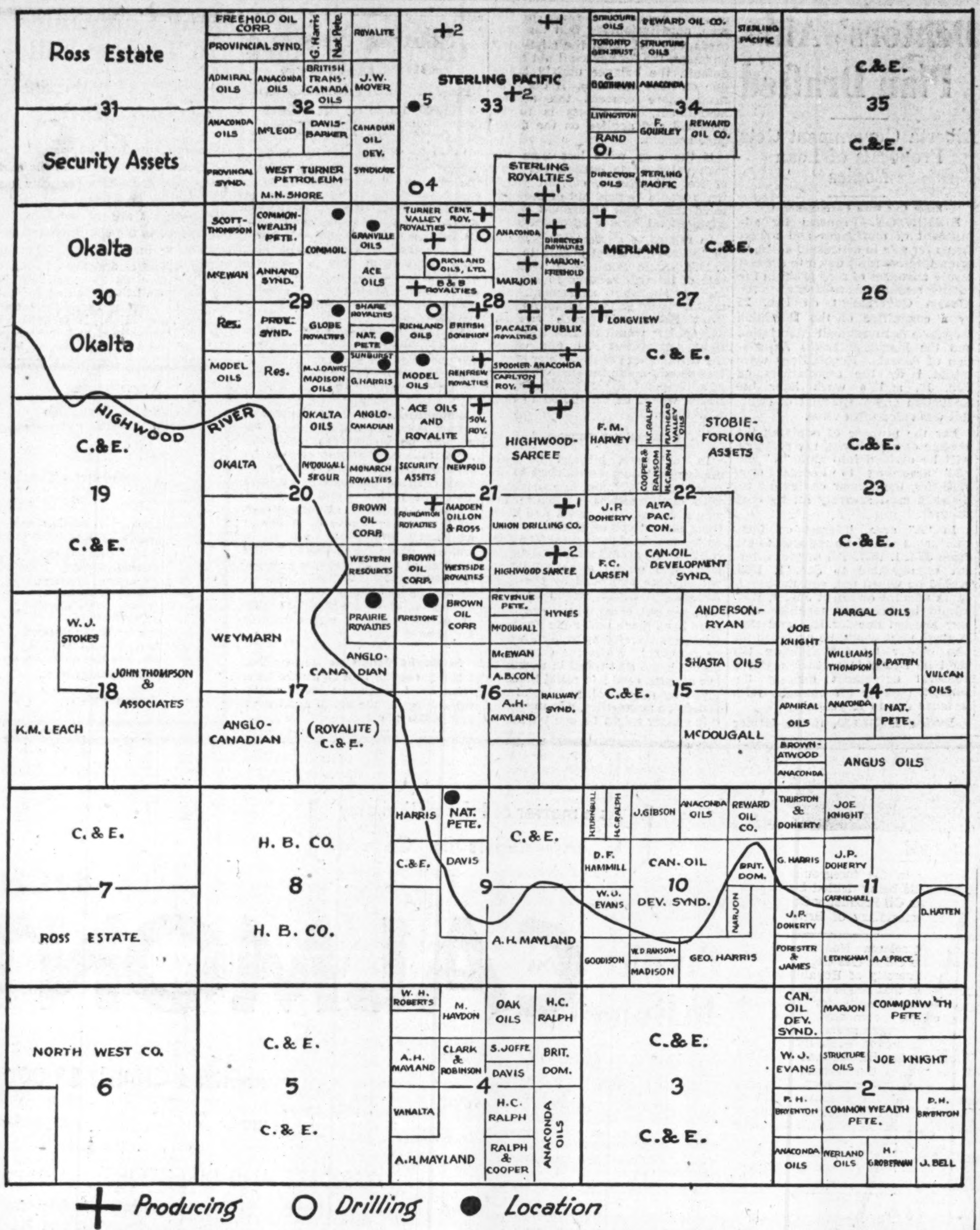
**Income and Surplus Account**
**Years Ended Dec. 31**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Net earnings | 318,291 | 304,254 |
| Less: Depreciation | 150,373 | 157,949 |
| Res. for income tax | 24,672 | 17,000 |
| Directors' fees | 2,000 | 2,000 |
| Exec. salaries | 25,625 | 22,250 |
| Legal fees | 934 | 1,182 |
| Net profit | 114,687 | 103,873 |
| Less appropriations: | | |
| Pref. divds. | 87,500 | 70,000 |
| Surplus for year | 27,187 | 33,873 |
| Add: Prev. surplus | 154,226 | 121,868 |
| Res. ins. bal. trans. | 4,126 | ...... |
| Less: Inc. tax, prior periods | 1,328 | 1,515 |
| Balance forward | 184,211 | 154,226 |

**Working Capital**

| | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Current assets | 1,784,883 | 1,771,181 |
| Current liabilities | 1,955,443 | 2,100,881 |
| Working capital | *170,560 | *329,700 |
| Ratio | 0.91—1 | 0.84—1 |

*Excess of current liabilities over current assets.


Ross Estate
Security Assets
31
32
33
34
35
Freehold Oil Corp.
Provincial Synd.
Admiral Oils
Anaconda Oils
British Trans Canada Oils
J. W. Mover
Davis-Barker
Canadian Oil Dev.
West Turner Petroleum
M. N. Shore
Sterling Pacific
Sterling Royalties
Reward Oil Co.
C.&E.
Okalta
30
29
28
27
26
Scott-Thompson
Commonwealth Pete.
Commoil
Granville Oils
Ace Oils
Richland Oils
British Dominion
Anaconda
Marjon
Publix
Merland
Longview
Model Oils
Globe Royalties
Share Royalties
Nat. Pete.
Pacalta Royalties
Spooner Anaconda
Highwood River
C.&E.
19
Okalta
20
21
22
23
Highwood-Sarcee
F. M. Harvey
Stobie-Forlong Assets
McDougall-Segur
Monarch Royalties
Security Assets
Newfold
Union Drilling Co.
J. R. Doherty
Alta Pac. Con.
Western Resources
Brown Oil Corp.
Westside Royalties
Highwood Sarcee
F. C. Larsen
Can. Oil Development Synd.
W. J. Stokes
John Thompson & Associates
Weymarn
18
17
16
15
14
K. M. Leach
Anglo-Canadian
(Royalite) C.&E.
Prairie Royalties
Firestone
Revenue Pete.
McDougall
McEwan
A. B. Con.
A. H. Mayland
Railway Synd.
Anderson-Ryan
Shasta Oils
McDougall
Joe Knight
Hargal Oils
Williams Thompson
D. Patten
Vulcan Oils
Admiral Oils
Anaconda
Nat. Pete.
Brown-Atwood
Angus Oils
C.&E.
H. B. Co.
7
8
9
10
11
Ross Estate
Harris
Nat. Pete.
Davis
A. H. Mayland
J. Gibson
Anaconda Oils
Reward Oil Co.
D. F. Hammill
Can. Oil Dev. Synd.
Brit. Dom.
Thurston & Doherty
Joe Knight
G. Harris
J. P. Doherty
W. D. Ransom
Madison
Geo. Harris
Goodison
Forester & James
A. A. Price
D. Hatten
North West Co.
6
5
4
3
2
W. H. Roberts
N. Haydon
Oak Oils
H. C. Ralph
Clark & Robinson
S. Joffe
Davis
Brit. Dom.
A. H. Mayland
Vanalta
H. C. Ralph
Ralph & Cooper
Anaconda Oils
Can. Oil Dev. Synd.
Marjon
Commonwealth Pete.
W. J. Evans
Structure Oils
Joe Knight
P. H. Brynton
Common Wealth Pete.
Anaconda Oils
Nerland Oils
H. Groberman
J. Bell
+ Producing ○ Drilling ● Location

### *TURNER VALLEY ACTIVITY*

Oil development of Turner Valley, now believed to be Alberta's richest field, is progressing at such a rate that every day sees some new company locating, another commencing drilling operations while periodically wells are blown in and the properties move into the producing class. The above map of the southern oil field where attention is at present directed shows the principal locations and holdings. Due to the rapid changes taking place a few of the very recent companies are not shown while some minor changes in holdings are also not noted. Symbols shown above indicate the various stages of development on the properties. The position of companies shown is discussed elsewhere on these pages.

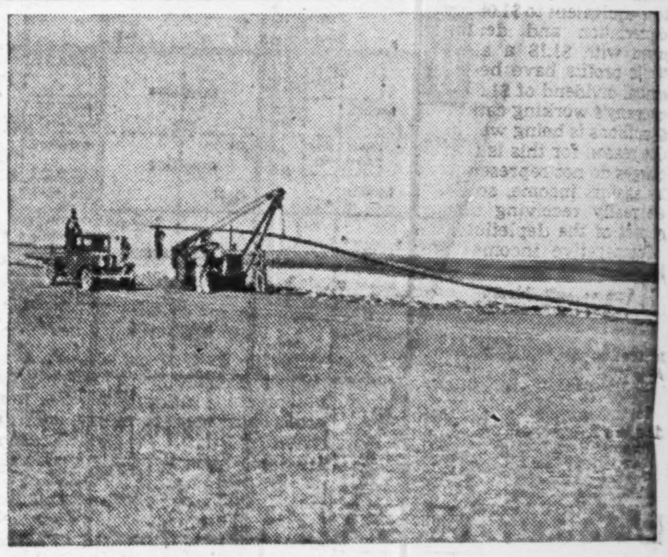
## Davies Petroleums Plans To Finance New Well

Davies Petroleums and Royalite Oil will jointly finance the drilling of a new well to be known as Davies Petroleum No. 2, according to a wire from M. J. Davies, managing director. Location of the property is subdivision 13, section 21, township 18, range 2 west fifth meridian. The well will be drilled near the centre of the legal subdivision by Royalite, and preliminary work will start immediately.

Heavy rotary equipment will be used either from Dalhousie No. 8 or Sterling Pacific No. 4, the wire states and the two companies have each a half interest in the lease.

Estab. 1882
OIL, MINING AND INDUSTRIAL STOCKS
*Bought • Sold • Quoted*
*On All Exchanges*
ADVISORY SERVICE
OSLER, HAMMOND & NANTON
STOCKBROKERS
Nanton Bldg. WINNIPEG
Members:
Montreal Stock Exchange : Montreal Curb Market
Winnipeg Stock Exchange

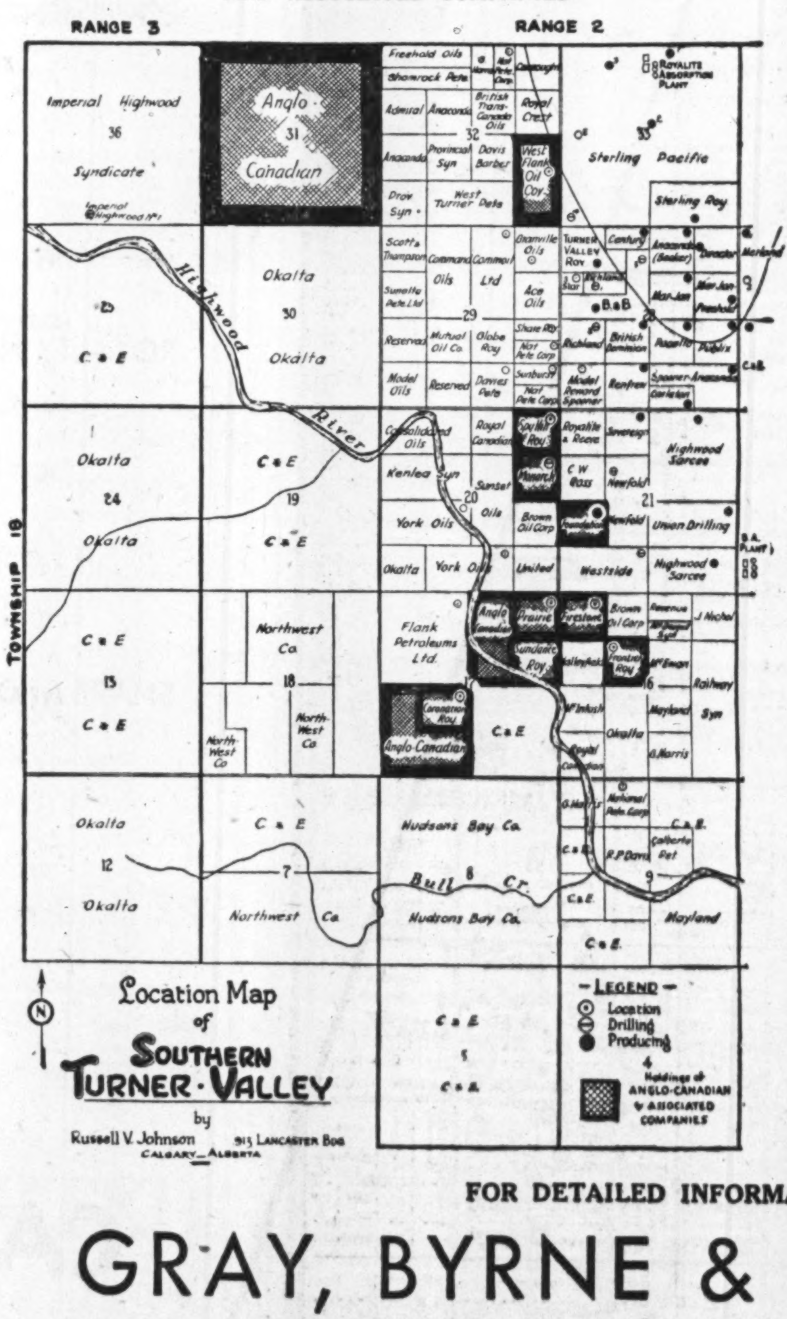
BAKER, RIGAUX
AND COMPANY LIMITED
*Investment Securities*
*Oil Stocks*
MEMBERS
Calgary Stock Exchange
FISCAL AGENTS FOR
Brewery Investments Ltd.
CALGARY
414 Grain Exchange Bldg.
VANCOUVER
512-513 Stock Exchange Bldg.



### *LAYING AN OIL LINE*

Sequel to the development of a new oil field is distribution of the product, a major industry in itself. The above picture shows the method of laying pipe lines for transporting crude from the field.

Map Showing Part of South Turner Valley Holdings of
ANGLO-CANADIAN DEVELOPMENT & HOLDING CO. LTD.
AND ASSOCIATED COMPANIES


RANGE 3
RANGE 2
Imperial Highwood Syndicate
Anglo-Canadian
Sterling Pacific
Okalta
Highwood River
C & E
Township 19
Northwest Co
Flank Petroleums Ltd.
Anglo-Canadian
Hudsons Bay Co.
Bull Cr.
Mayland
Location Map of Southern Turner-Valley
by Russell V. Johnson 513 Lancaster Bdg Calgary, Alberta
LEGEND
Location
Drilling
Producing
Holdings of Anglo-Canadian & Associated Companies

Anglo-Canadian Development and Holding Company Limited

Assisting in a Major Role the Development of Alberta's Oil Resources

The Anglo-Canadian Development and Holding Company Limited, and its associated companies, own 1,560 acres in South Turner Valley . . . and hold under permit 6,400 acres on the Mill Creek Structure adjacent to the Weymarn Well . . . and also a 6% Royalty in the Weymarn Well.

*Associated Companies:*
Foundation Petroleums Ltd.
Monarch Royalties Ltd.
Firestone Petroleums Ltd.
Coronation Royalties Ltd.
Frontier Royalties Ltd.
Prairie Royalties Ltd.
Spy Hill Royalties Ltd.
Sun Dance Royalties Ltd.
Westflank Oil Company Ltd.
Drilling Contractors Ltd.

FOR DETAILED INFORMATION APPLY TO FISCAL AGENTS:
GRAY, BYRNE & COMPANY LIMITED
Lancaster Building Calgary, Alberta

# Royalite Oil Major Firm In the Valley

## Diversity of Interests Lends Investment Aspect to Shares

Royalite Oil Co. was a pioneer and is the largest operator in the Turner Valley of Alberta, not only producing natural gas from its own wells, and extracting naphtha in its own absorption plant, but also providing major gas supplies for public utilities.

The company's capital consists of 697,547 common shares, the majority held by Imperial Oil, Ltd. Since 1932, the capital has risen from 500,000 shares, the increased amounts being distributed largely for holdings in the Turner Valley. Subsequently, it is understood, some shares given for new holdings were sold by the recipients to Imperial Oil, Ltd. Now there is a wider realization of Turner Valley possibilities and Royalite shares have risen to about three times the highest level of $19.55 a share in 1934.

Steady expansion of lease holdings and fee simple oil lands has increased the company's holdings to more than 7,500 acres with more than 60 producing wells.

### Conserve Gas

The company's policy of acquiring partially depleted properties in the northern and central sections of Turner Valley, according to president J. H. McLeod, is to allow more efficient and economic operation of walls and plants, and to conserve a supply of natural gas in storage. This gas is sold under contract to Canadian Western Natural Gas Light Heat & Power Co., which supplies its heating, lighting and power in Calgary, Lethbridge and other smaller centres in southern Alberta.

The importance of gas sales to Royalite is that it commands the major markets in the more populous areas around the Turner Valley. Most wells in the area produce what is called wet gas, carrying only a small content of naphtha. The gas itself is mostly wasted in flares that burn night and day, year in and year out. But Royalite is able to market over seven billion cubic feet of gas each year.

The company's earnings in 1935 were equivalent to $1.06 a share, after depreciation and depletion, compared with $1.18 a share in 1934. While profits have been below the annual dividend of $1.50 a share, the company's working capital of nearly $3 millions is being well maintained. One reason for this is that depletion charges do not represent a cash outlay against income, so shareholders are really receiving disbursements of part of the depletion charges.

Comparative income figures follow:

**Income and Surplus Account**
Years Ended Dec. 31

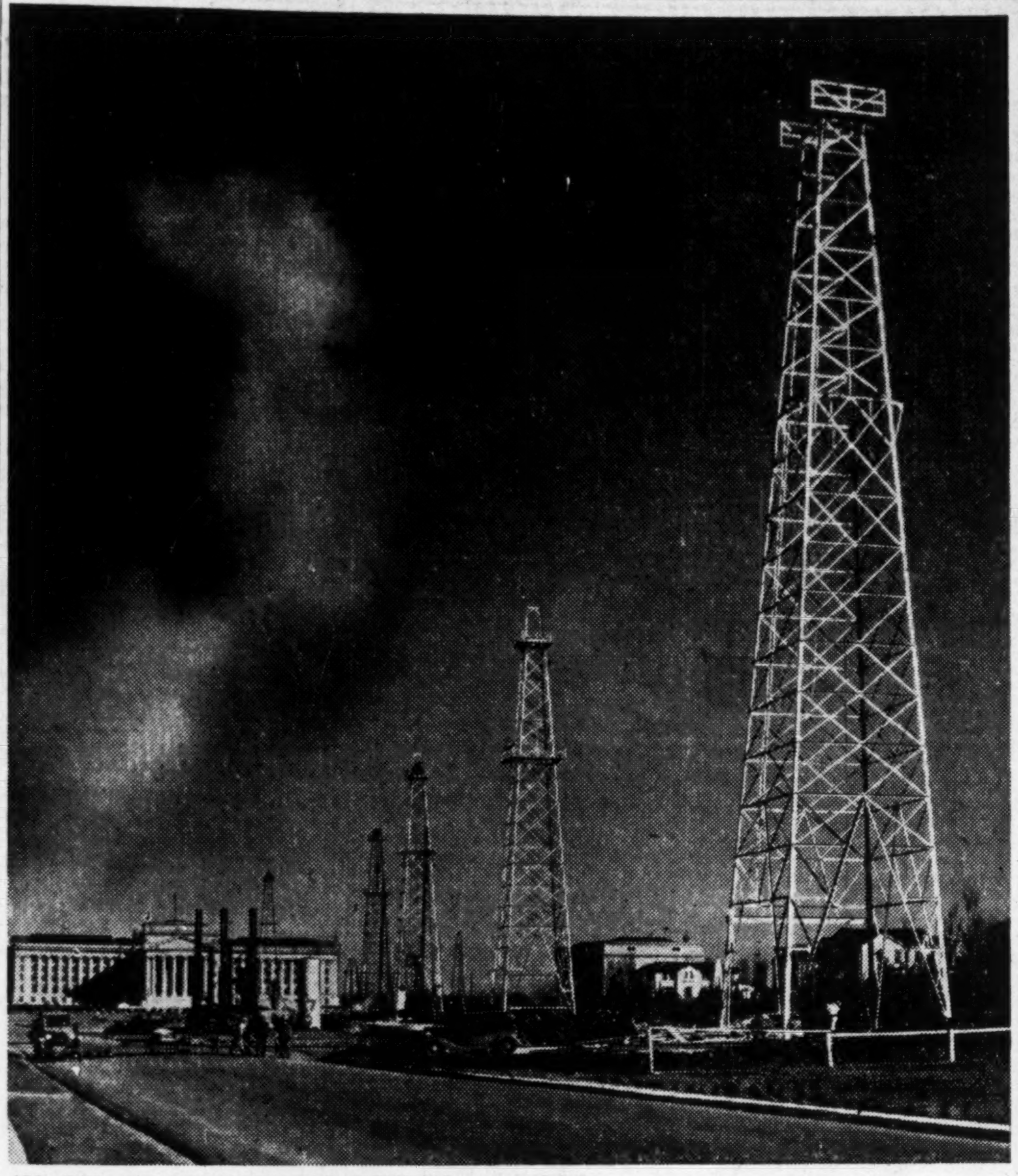
| | 1935<br>$ | 1934<br>$ |
|---|---|---|
| Inc from oper. ........ | 1,489,190 | 1,615,150 |
| Add: Profit fr. invests. | 28,900 | ...... |
| Investments, int. ... | 112,774 | 92,915 |
| | 1,630,864 | 1,708,065 |
| Less: Fees & exec. sal. | 36,174 | ...... |
| Directors' fees ..... | 500 | 500 |
| Depreciation ........ | 478,621 | 475,267 |
| Depletion .......... | 244,752 | 278,472 |
| Income tax ........ | 132,645 | 142,867 |
| Net profit ............ | 738,172 | 810,959 |
| Less: Dividends ...... | 1,046,320 | 832,484 |
| Deficit for year ...... | 308,148 | 21,525 |
| Add: Prev. surplus ... | 2,678,243 | 2,696,585 |
| Adjustments ...... | 9,071 | 3,183 |
| Surplus forward ..... | 2,361,024 | 2,678,243 |

What are the prospects for increased income for Royalite Oil Co.?

The company obtains steady revenue from gas sales, but increases in this income depend largely upon widening markets, which has not been considered economical up to the present. This makes it appear that the chief hope of greater income lies in opening of new wells producing more naphtha or crude petroleum. The fact that the company has by far the largest holdings in the Turner Valley signifies that its chances of sharing in discovery of valuable new wells are at least as good as average and probably somewhat better.

Royalite controls Dalhousie Oil Co. through ownership of 51% of the stock. In recent years it has acquired important interests of Mayland Oil Co., two wells of Alberta Pacific Consolidated Oil Co., and properties from New McDougall-Segur Oil Co., Calmont Oils, Commonwealth Petroleum, British Dominion Oil & Development Corp., and leases of numerous acreages formerly held by Sterling Pacific Oil Co., Freehold Oil Corp., Wellington Oils Co., Okalta Oils, McLeod Co., Home Oil Co., Hargal Oils Ltd., Spooner Oils, and others. In addition to its own wells and controlled or leased oil lands, Royalite participates in profits of the Freehold-Marjon well, Sterling Royalties No. 1, Century Royalties No. 1, Carleton Royalties No. 1 and British Dominion No. 4. Royalite also has a royalty interest in Richfield Petroleum No. 2 well and Structure Oil & Gas Co.

The diversity of Royalite's interests mean that single wells have less spectacular results for this large controlling company than for smaller organization. Royalite shares, however, even though subject to wide fluctuations in value, have more of the investment aspect than most Turner Valley oil stocks. In view of the company's strong financial position, regular dividends, and its experience and equipment, it still holds the leading position in development and economical operation of Alberta oil and gas properties.



*AN OIL PROSPECTOR'S DREAM*

Oil developments in Oklahoma City have carried the search almost to the door of the state capitol pictured in the background. The four derricks in the foreground are on new wells being drilled by British-American Oil Producing Co., wholly-owned subsidiary of British-American Oil Co. The rapid development of new wells in the field is providing B.-A. Oil, through its subsidiary, with gross revenues of $6 millions.

## New Company to Explore Site Near Gunnar Gold

From Our Own Correspondent

WINNIPEG.—Green Creek Mines Ltd., adjacent to Gunnar Gold, anticipates having a crew of men on the property shortly. Arrangements for financing development work have just been completed and with the opening of spring, it is expected a diamond drilling campaign will be commenced.

New York investors are interested in the property and, it is reported, sufficient funds are to be made available to bring it into production, should commercial ore bodies be found.

# Predict Rise In Home Loans

## Bankers Believe Total Should Rise to $3 Millions in March

Bankers look for an increase in home improvement lending this month, of at least 50%, perhaps substantially more.

Latest published figures show that to the end of January loans totalled $1.5 million. Material advance was recorded in February to bring this figure to an estimated peak of at least $2 millions. By the end of March, lending volume should have risen to $3 millions or more.

Behind the anticipated advance is the prospective spring volume of home repair and renovation business. Spring has proved the heavy season in the United States lending scheme, which is similar in many respects to the Canadian, and it was intimated when the plan was initiated last fall that the business done would probably drag until March or April. If it does not develop in the next two months drastic revision of the scheme may be required.

Already bankers have noted a quickening in interest in the loans. Lending at the Christmas season was dull, as was to be expected, but since then there has been an almost steadily increasing volume. One of the factors behind the improvement is undoubtedly more effective organization. Local bodies have been whipped into shape and are now in a position to do a really constructive job.

Of the 3,959 loans made under the Home Improvement Plan up to Jan. 31, slightly less than half were made in centres of more than 20,000 population. In actual amount, these loans accounted to $768,326 out of a total of $1,501,167. Classification of the loans by cities is as follows:

| | Number | Amount |
|---|---|---|
| Halifax ................ | 61 | $23,446 |
| Glace Bay ............... | 38 | 13,447 |
| Sydney ................. | 49 | 15,303 |
| Saint John .............. | 69 | 28,977 |
| Moncton ................ | 35 | 16,013 |
| Quebec ................. | 25 | 17,586 |
| Hull .................... | 3 | 900 |
| Montreal ............... | 251 | 137,712 |
| Outremont .............. | 5 | 4,800 |
| Three Rivers ............ | 9 | 5,815 |
| Verdun ................. | 20 | 9,200 |
| Westmount .............. | 14 | 7,215 |
| Brantford ............... | 10 | 1,943 |
| Fort William ............ | 11 | 6,627 |
| Guelph ................. | 16 | 9,290 |
| Hamilton ............... | 74 | 21,598 |
| Kingston ............... | 20 | 5,942 |
| Kitchener .............. | 46 | 11,251 |
| London ................ | 53 | 17,327 |
| Ottawa ................. | 75 | 35,087 |
| Oshawa ................ | 29 | 6,371 |
| Peterborough ........... | 32 | 10,222 |
| Sault Ste Marie ......... | 5 | 1,265 |
| St. Catharines .......... | 25 | 12,687 |
| Toronto ................ | 342 | 123,909 |
| Windsor ................ | 79 | 26,422 |
| Winnipeg ............... | 96 | 43,259 |
| Regina ................. | 14 | 5,515 |
| Saskatoon .............. | 8 | 2,911 |
| Calgary ................ | 60 | 29,612 |
| Edmonton .............. | 91 | 44,966 |
| Victoria ................ | 35 | 11,916 |
| Vancouver .............. | 103 | 59,746 |

## Operators Busy At Rowan Lake

From Our Own Correspondent

KENORA, Ont.—With the feeling of spring in the air many operators are preparing plans to work in Kenora district's new gold area, Rowan Lake, scene of a heavy staking rush during the first few months of the winter.

A crew of men, directed by C. W. Greenland, M.E., consulting engineer for Joseph Errington, is still working on the Errington property, original staking in this sector while a diamond drill has been on the ground for two weeks.

A diamond drill rig was delivered to the property of Lakeport Mining Co., two and a half miles west of the Errington property, by Wings Limited, on Feb. 27. A crew is also being started to work on dewatering and retimbering old shafts, sunk in the old days when the groups were known as the Monte Cristo and Victor mines. There are two shallow shafts, 15 and 20 feet deep, on the Monte Cristo while, one mile distant, is the 100-foot shaft of the Victor. Permanent camp buildings for 12 to 15 men have been completed.

# Mining News Concentrates

**Arntfield** has received payment for 27,000 shares at 70 cents per share under agreements outstanding, the Toronto Stock Exchange advises. All options have now been exercised in full, and total outstanding shares are 2,937,920.

• • •

**Cariboo Gold Quartz** reports that preliminary production figures for the fiscal year ending January show that a value of $700,787 was had from the treatment of 53,279 tons of ore. A power house fire meant a loss of 12 weeks' mill operation during the period. Figures for the preceding fiscal year show that a recovery of 17,633 oz., valued at $621,227, was obtained from the treatment of 45,197 tons of ore. Production has approximated 200 tons daily since July 16 last.

• • •

**Centennial Mine** in Michipicoten, is now operating its mill on a 40-ton daily basis, according to Dr. T. L. Gledhill, the consultant. On the ore shoot on the first level about 75 ft. of drifting has been done, and grade is reported at approximately $10 per ton, with average width slightly under four feet., although the quartz vein has widened in places to seven feet. Stopes are being prepared in the new ore on the first level. Flow sheet or treatment of ore is such that gold will be recovered at short intervals and not locked up in circuit, as when cyanide treatment is used.

• • •

**De Santis Porcupine** advises that it has broken into mineralized vein material about 8½ ft. wide which assayed .60 oz. per ton. Recent work on the 325-ft. level comprised crosscutting through folded formation to ascertain the width of the vein material. Drifting continues on the 450-ft. level on the new vein recently disclosed. The drift has so far advanced 35 ft. and encountered vein material samples from the east face of which averaged, it is reported, $12.

• • •

**Don Martic Gold** is advised by its field manager at the Sturgeon River property that No. 3 diamond drill hole has been completed at 479 ft. The drill, it is reported, has cut what appears to be the main vein at 294-ft. depth. No. 4 hole was started with the plan of cutting high grade under No. 2 test pit. Two more holes which have been spotted are to be drilled as quickly as possible. Assay results from No. 3 hole should be available before long.

• • •

**Gold Range** in Schreiber area plans to continue tunnelling into the base of the hilly formation in which high-grade sections have been encountered together with drilling the ore zone recently discovered on the property.

• • •

**Dorval Siscoe Mines** reports that shaft sinking has reached 135 ft. and the company is making five feet per day. Below the 100-ft. horizon a quartz stringer was encountered in the shaft, but samples have not yet been assayed. The shaft will be continued to 300 ft., where the first level will be established. Shaft is three-compartment size and has been timbered to almost 100-ft. depth.

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**Gillies Lake-Porcupine** at Timmins, Porcupine district, plans to develop 220 acres north of the present shaft, according to H. B. Hatch, geologist. This may be followed by raising and the sinking of a new shaft with capacity large enough to supply a 300-ton mill. The plant is handling about 60 tons daily, and January production is estimated at $27,000.

• • •

**Harpers Malartic Gold** holding 1,150 acres in Dubuisson twp., Malartic area, plans immediate surface exploration to open showings on its property, after which diamond drilling to prospect them at depth will start. Capitalization is 2,500,000 shares, 850,000 of which have been issued for properties and pooled. Two hundred thousand and five shares have been sold for cash, there being now 1,449,995 in the treasury. Two hundred thousand shares are currently being offered to the public at 26 cents per share.

• • •

**Martin McNeely Mines**, according to Secretary-Treasurer H. M. Anderson, is doing no work at its Dome twp., Red Lake property. Inconclusive results were had from considerable surface work and some diamond drilling on the main group last year. Mr. Anderson reports that the company is still in funds, however, and awaiting a chance at some other spot.

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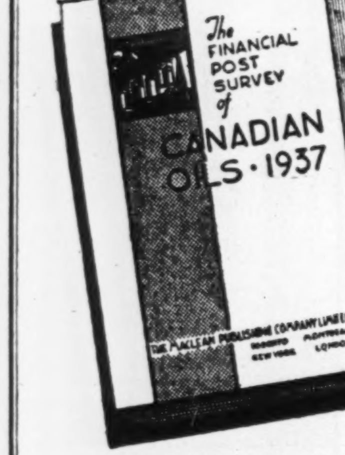
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# In The Construction World

THAT the "vicious circle" in which lagging construction is both cause and effect is recognized by Hon. Charles A. Dunning, minister of finance, became clear in the finance minister's budget speech.

Said Mr. Dunning:

"Real estate taxes are high because relief costs are high. Relief costs are high because unemployment is heavy, and unemployment is heavy, to an important extent, because the building industry is inactive. Conversely the building industry is inactive because all these other things are true."

He added, "We are now reaching the stage of the recovery movement when this vicious circle must be broken."

The finance minister let it be known that it behooves every branch of the construction industry, including the lending institutions, to study the facilities now available through government housing programmes and to use the utmost ingenuity in providing a sound product at a reasonable price, and in selling the product to the ultimate consumer.

• • •

### *Spending Spree Now at an End*

IT IS a view that reveals a far more businesslike approach to the problem than was the case when federal public works projects were regarded as the panacea that was to cure the construction slump and act as a lever to set economically sound construction activity in motion on a large scale. Temporarily the federal programme gave much needed work to unemployed building trades workers but at the cost of a substantial increase in maintenance and other costs of federal buildings from one end of the Dominion to the other.

Spending of large sums on non-revenue-producing federal buildings has no place in the current scheme of Government aid to construction, for Mr. Dunning made it clear that public works construction cannot be continued indefinitely on the scale of recent years "without building up an intolerable burden for the future."

"If it must be kept up in the late stages of a recovery movement, what hope can there be that governments will be in a position to use public works requirements as a reserve against future depression?" asks Mr. Dunning. He indicated where the "vicious circle" can most readily be broken, in the statement that "If the construction industry makes the effort I have indicated, and if it receives the co-operation of the general public, the results will go far to solve the problems of unemployment and relief."

• • •

### *Lending Companies And Taxpayers*

RELIEF costs are among the chief reasons why taxes on real estate have advanced in the years since 1930 and taxes in turn are one of the chief reasons why companies lending money on real estate mortgages are still wary. They passed through a trying period which only now is beginning to show improvement in mortgage interest collections, and to some extent in lending companies' earnings.

The circle widens therefore to include companies in the real estate lending field and a return of confidence in this phase of building activity is essential if efforts to revive home building on a large scale are to succeed. A survey of the mortgage lending situation in Canada reveals some improvement over 1935, but income gains are not large and conditions in western Canada, particularly, are not altogether conducive to more generous lending policies in real estate investment.

Yet the connection between reduced relief loads translated into tax reductions and the returning confidence of lending concerns is clear. All lenders hesitate to advance funds for mortgage or building purposes while the threat of burdensome taxation continues. Taxes are a prior charge on any property and the inability of the mortgagor to meet them means that the lending company or individual advancing funds for building must assume tax charges or risk loss of the investment.

• • •

### *Mortgage Concerns Anxious to Lend*

THE disturbing feature of this situation is that relief costs have not declined in inverse ratio to the rise in Canadian employment. Obviously tax reductions are unlikely in such a situation, which may explain why companies lending money on real estate are still inclined to be cautious in considering new lending commitments.

There is a brighter side to the picture, however. Lending companies must have outlets for their funds with a fair interest return and reasonable assurance of the safety of the investment. With the possible exceptions of Quebec, where new moratorium legislation added fresh uncertainties last autumn, and in Alberta, mortgage loan companies are looking forward with greater confidence to a revival in 1937 of real estate lending on a sound basis provided there is lessened government interference in private contracts. The fact is that mortgage money is plentiful at rates far below those prevailing a few years ago, providing the security is reasonably good.

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***ARCHITECTURAL AWARD***

Onyx, chromium and the brilliant colors of modern treatment of building exteriors are suggested in the photograph of a Toronto theatre and store block, shown above. Designed by Kaplan and Sprachman, members of the Ontario Association of Architects, it won a senior award at a Toronto architectural exhibition.

# *Basic Need of Human Shelter Is Key to Building Recovery*

## Laws of Supply and Demand, Rising Rentals and Government Programme All Point to Residential Construction Revival in 1937

More than 10,000 young men and women were married in Winnipeg during the last two years.

Few of them set up housekeeping in homes of their own, in bungalows or apartments. The majority vanished into boarding houses, into the homes of relatives or disappeared from Winnipeg to find new homes on western farm lands.

There are no accurate statistics to show the extent of family "doubling-up" in Winnipeg, with crowded, friction-producing conditions and other unfortunate psychological results. But there are statistics to show that Winnipeg today has 127 fewer dwellings than it had two years ago and the inference is clear as to what happened to the 10,000 newlyweds.

House rental vacancies in Toronto are fewer than they have been in 40 years or more.

At Vancouver 99.3% of the city's apartment house suites are occupied. Vacant rental space is the lowest in years.

Similar conditions exist in other Canadian centres, in some cases producing unhygienic, demoralizing conditions which are further accentuated in the poorer sections until slum areas are created.

Apart from the moral aspect of urban overcrowding of families, the lessening rental vacancies in all classes of residential buildings in Canada have an important significance to the construction industry. There is nothing surprising in the fact that since 1934 Canadian residential rents have been slowly rising, or that available rental space has been gradually declining. Both trends were inevitable in the light of the slump in new home construction during the last five years, and both trends are now amply confirmed by Dominion Government statistics.

### Supply and Demand

What has happened and is becoming an increasingly potent factor in the Canadian building outlook is that the immutable law of supply and demand is making itself felt in housing. With a return of general business recovery and rising wage scales, a certain amount of new residential building would automatically follow, whether building investment funds were plentiful or not, whether interest rates were high or low, and whether Government housing plans were effective or otherwise. Mounting figures of Canadian residential building already show the 1937 trend in that respect.

But the basically important fact is that there are not enough houses in Canada to accommodate the population. In times of economic stress living standards are adjusted to meet new conditions; families bend to the economic storm and seek shelter of any kind until economic skies are clearer. When the sun shines, a different situation presents itself. If for no other reason than the birthrate, new homes are sought as the first effort at rehabilitation.

With or without Government assistance, and in practically all types of residential construction, the demand for new home building this year promises to take more tangible form than in any year since 1930. Real estate activity, hampered by unpaid taxes and mortgage indebtedness, is already showing signs of revival in many centres as mortgagors and delinquent taxpayers again find themselves able to reduce earlier interest and tax obligations.

Nearly all leading mortgage companies report interest collections at higher levels, except in areas suffering from the effects of drought or from unwise debt legislation, and while real estate equities do not show any remarkable increase in value, the basic real estate structure is nevertheless being placed on a more sound footing as long-standing obligations are reduced .

A construction industry that has experienced a worse depression than almost any other type of business is the only means of supplying the huge backlog of unbuilt Canadian homes. A survey of the field, in the light of Government housing plans, indicates that the rental situation holds the key to a large proportion of new residential building in sight for 1937.

### Real Estate Reviving

In this fact there is marked significance to the construction industry, for as rentals rise and rental space diminishes through wider distribution of formerly congested families, it becomes less costly to build a home than to rent one.

The tenant in Toronto, Montreal, Winnipeg and Vancouver, occupying a middle-grade house, apartment or duplex in many cases has had the best of his bargain with a landlord who congratulated himself if he could meet taxes and carrying costs from rental income. Taxes are still a threat to the home owner in this respect since there is no assurance that they will be reduced with the rapidity with which they have advanced.

### Cheaper to Build?

It is doubtful whether taxation alone can prevent the ultimate result of rising rents and lessened rental space, which is the change in a tenant's status to that of home owner.

A tenant whose monthly rent is $45 and whose lease expires this year is more than likely to have an augmented income from salary, wages or professional income. His income may not—and probably hasn't—recovered to the level of 1929, but higher incomes are the rule rather than the exception and there is a strong probability that a month before his lease expires he will carefully calculate whether or not it is cheaper to be a tenant than a home owner. The basis of such a calculation will be whether at $50 a month or $55 a month he is still on the profitable end of the rental bargain.

It is possible that he will be better off as a tenant, depending on the accommodation in relation to the family's requirements, but it is probable that he can calculate safely on the investment of a small savings account in a modest home of his own with carrying charges no higher than his former rental. The human factor is more than likely to be the deciding one and the difference of a few dollars to be offset by the theory that the new home may be "a poor thing but mine own."

### Constructive Influences

A shortage of available rental space makes little difference in times of extreme economic depression when the search for shelter of any kind supersedes all economic considerations. A different situation exists at the moment, however, in the fact that a shortage of rental space, rising rental costs, business recovery, higher wages and increased public buying power are all taking place simultaneously with concerted Government action to meet a national need of new housing, and modernization of dwellings which threaten otherwise to become wasted national assets.

In these added influences on a basic shortage of housing accommodation lie the leverage necessary to the long-delayed resumption of Canadian residential building and the flow of investment funds back to building enterprise.

Vancouver is typical in the apartment field. Of 2,643 suites in 147 apartment houses 2,524, or more than 99%, were occupied at January 31, including one district of the city in which there was no apartment accommodation a year ago.

In Swift Current, Saskatchewan, burgesses passed a "consolidation by-law" under which city-owned property was given free of charge to those who would build homes, and five houses are under construction to meet a demand which is duplicated in all areas but which few cities can meet in the unique fashion of the western municipality.

The effort to provide for needed accommodation is going on too in the maritime areas where Saint John, N.B., is experiencing the first stages of a building and modernization boom, notable in which is the conversion of former "flats" to modern apartment buildings and erection of new apartment buildings to meet family needs and to overcome the congestion of depression years. Business structures are likewise contributing to the mounting total of Saint John's construction totals.

### Toronto Shortage Acute

Vacant residential rental space in Toronto has not been as limited in 40 years and the condition arises directly from the absence of large-scale residential building dating back to the war, according to Toronto real estate authorities.

From 1919 to 1924 there was a moderate volume of residential construction in Toronto and the metropolitan area surrounding the city, but from 1924 to 1933 this gradually decreased, to be followed by a gradual rise in volume of house construction in the last three years. The gain was not sufficient to offset the earlier backlog, however, and the result is that the percentage of house vacancies was lower during the depression period than at any time in 45 years. It still holds a 40-years record.

Records of George M. Garton, Toronto realtor, show that the low point in Toronto residential vacancies was reached in 1930 at 1.6%, but that the last five and ten year periods show the lowest for these periods on record in the history of the city.

Edmonton had only 121 vacant residences out of 15,531, according to a recent survey in that city. Across Canada similar indications of the shortage can be found. The answer is new housing.

## *Newsprint Mills Modernize Plants*

From Our Own Correspondent

MONTREAL.—Aside from the $12 millions pulp and paper project of the Ontario Paper Co. at Comeau Baie, P.Q., other newsprint companies at present are carrying out capital expenditures of about $2 millions.

Donnacona Paper is building two newsprint carriers at a cost of $800,000 and spending $60,000 on additions to the mill. Howard Smith Paper Mills is spending $65,000 on a soda pulp mill at Cornwall, while Bathurst Power and Paper Co. has contracted for improvements to its pulp and paper plant at a cost of around $650,000. Minor projects make up the balance of the total.

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# *Building Contracts Show Sharp Rise for February*

Marked acceleration in the pace of residential and business types of construction carried totals for Canadian building contract awards sharply higher in February, the month's total of $8.7 millions showing a substantial increase over the $6.6 millions reported for January and a small gain over the total $8.2 millions in Feb., 1936.

Engineering projects failed to share the upward trend and according to MacLean Building Reports Ltd., the decline in this phase of construction awards amounted to about $600,000 for the month although the number of engineering projects covered by contract awards actually rose from 51 to 61. The engineering total is far below the phenomenal Feb., 1936, figure of $4.7 millions, most of which was due to International Nickel's expansion programme and the contract awards affecting the Baie Comeau paper development.

Residential construction awards in February advanced to $3 millions for the month and recorded the largest single gain of any classification. It represented nearly three times the total of Feb., 1936, and a smaller gain over last month. Business construction awards rose about $10 millions over Jan., 1937, totals.

**Canadian Construction Contracts Awarded**

| | Feb., 1937 | | Jan., 1937 | | Feb., 1936 | |
|---|---|---|---|---|---|---|
| | No. | Value | No. | Value | No. | Value |
| Apartments | 23 | 649,000 | 21 | 520,500 | 4 | 28,500 |
| Residences | 808 | 2,381,500 | 741 | 2,311,400 | 378 | 1,070,900 |
| Total residential | 831 | 3,031,000 | 762 | 2,831,900 | 382 | 1,099,400 |
| Churches | 29 | 63,300 | 11 | 12,600 | 15 | 288,200 |
| Public garages | 23 | 79,700 | 80 | 356,300 | 22 | 128,000 |
| Hospitals | 2 | 2,700 | 5 | 43,100 | 1 | 7,000 |
| Hotels, clubs | 22 | 56,200 | 19 | 170,500 | 22 | 62,400 |
| Office bldgs. | 30 | 1,012,900 | 23 | 132,000 | 19 | 82,100 |
| Public bldgs. | 38 | 433,200 | 33 | 157,400 | 26 | 185,200 |
| Schools | 11 | 28,700 | 18 | 100,300 | 11 | 22,700 |
| Stores | 152 | 404,900 | 119 | 377,700 | 106 | 371,200 |
| Theatres | 8 | 138,800 | 5 | 86,500 | 11 | 158,500 |
| Warehouses | 41 | 424,000 | 33 | 149,400 | 28 | 876,500 |
| Total business | 356 | 2,644,400 | 346 | 1,645,800 | 261 | 2,182,600 |
| Total industrial | 59 | 2,018,100 | 62 | 502,100 | 43 | 227,300 |
| Bridges | 4 | 22,400 | 6 | 332,800 | 2 | 40,300 |
| Dams, wharves | 5 | 65,300 | 7 | 437,500 | 7 | 74,600 |
| Sewers, watmns. | 4 | 26,200 | 4 | 31,600 | 9 | 81,500 |
| Roads, streets | 5 | 165,000 | 6 | 367,500 | 7 | 123,200 |
| Gen. engineering | 43 | 756,400 | 28 | 473,000 | 27 | 4,398,800 |
| Total engineering | 61 | 1,035,300 | 51 | 1,642,400 | 52 | 4,718,400 |

## Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Feb. 27.

**Germany**—Exports during January were larger than last year, and imports somewhat reduced; unemployment rose seasonally in January but remained under the 1936 level.

**Norway**—More general gains were recorded during 1936 than in earlier years, and prospects of further improvement are encouraging.

**Yugoslavia**—The economic situation as a whole improved during 1936, with crops good, industry more active, foreign trade heavier, and budget revenues larger.

**China**—The market value of agricultural products rose considerably last year, aviation activity more than doubled, while railway revenue showed only slight increase.

**El Salvador**—Direct shipment of coffee to San Francisco has been resumed following settlement of the United States Pacific coast strike; collections and credits have improved and bank reports reflect general gains.

**Dominican Republic** — Wholesale and retail trade was fair during February, but lower cacao prices have caused losses for some merchants.

**Trinidad** — Petroleum production remains active and the general situation is substantially unchanged, with rises in certain export prices offsetting declines in others.

**Grenada**—Low cacao prices and the short crop of nutmegs had an adverse effect during February, but the outlook is good for new crops.

**British Guiana**—Business has made notable gains since the first of the year and demand for agricultural products has improved; exports showed a larger increase than imports during 1936.

## Sherbrooke Railway Plans Cut in Par Value of Shares

From Our Own Correspondent

MONTREAL.—Sherbrooke Railway and Power Co., formerly Sherbrooke Street Railway Co. and a subsidiary of Southern Canada Power Co., intends to apply at the present sitting of the Legislature for an Act amending its charter and reducing the par value of its common shares from $100 to $5 each.

## Eastern Canada Air Lines Resumes Its Services

From Our Own Correspondent

MONTREAL. — Eastern Canada Air Lines has resumed its Maritime inter-urban service. The company planes, grounded during the past few weeks on orders from the Department of Transport because the use of skis was prohibited, have passed all tests carried out by the Department's aviation officials, according to R. T. McCully, managing director.

## Powell Heads Aluminum Co

### Executive Changes Are Made Following Resignation of E. K. Davis

From Our Own Correspondent

MONTREAL.—R. E. Powell has been elected president of the Aluminum Co. of Canada, to succeed Edward K. Davis, who has resigned. Mr. Powell, who has been with the aluminum industry for 28 years, has been vice-president ever since the incorporation of Aluminium Ltd., the parent company.

Since 1899, which marks the establishment of the Aluminum Co. of Canada, there have been but three other presidents. R. B. Mellon was first followed by Arthur V. Davis, who held office for 19 consecutive years and was succeeded by his brother, Edward K. Davis.

O. M. Montgomery, director of purchases, and who also has seen 28 years of service in the aluminum industry, has been elected vice-president.

Harold R. Wake, formerly superintendent of properties at Arvida, Que., has succeeded to the office of secretary of the company following the resignation of J. H. Alger.

## General Steel Wares Refunding Plan Advances

From Our Own Correspondent

MONTREAL.—General Steel Wares new bonds will be placed on the market shortly by a syndicate headed by Dominion Securities Corp.

It is proposed to retire on May 1 next the company's entire issue of 6% first mortgage bonds now outstanding to an amount of $6,577,000. This issue will be replaced by a new first mortgage bond, part of which will be in serial form maturing to an amount of $225,000 in each of the years 1940-1947 inclusive and bearing interest rates from 3¼% to 4% varying with maturities, and in part in the form of 15-year sinking fund bonds bearing an interest rate of 4½%.

Public offering of the new bonds will probably be confined to the 4½% 15-year portion of the issue.

## St. Lawrence Flour Mills New Stock on Market

From Our Own Correspondent

MONTREAL.—St. Lawrence Flour Mills new common stock has been called for trading on the Montreal Stock Exchange. The listing covers 36,000 shares of no par value, all of which are outstanding.

The new listing results from the conversion of the 12,000 old shares of common stock of $100 par value into 36,000 new common shares of no par value by a 3 for 1 split. At the same time directors have received authority to issue 14,000 additional shares, making a total authorized issue of 50,000 shares.

Abitibi Power & Paper Company, Limited
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Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

COTTON FABRICS AND YARNS
DOMINION TEXTILE COMPANY, LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

# FRASER COMPANIES, LIMITED

## FRASER PAPER, LIMITED, AND RESTIGOUCHE COMPANY, LIMITED

### TWENTIETH ANNUAL REPORT AND STATEMENT For the Year Ended December 31, 1936

TO THE SHAREHOLDERS, FRASER COMPANIES, LIMITED.

The Consolidated Balance Sheet of Fraser Companies, Limited, Fraser Paper, Limited, and Restigouche Company, Limited, at December 31, 1936, and the Consolidated Profit and Loss and Surplus Accounts of these Companies for the year ended December 31, 1936, are submitted herewith and the comments made in this report apply to these statements.

Earnings for the year, before interest charges, depletion, depreciation and provision for Dominion Income Tax, amounted to $2,100,920.26. These earnings are $273,296.72 greater than obtained during the previous year. The profit, after all charges for the year, as shown in the Profit and Loss Account and which has been credited to Surplus amounts to $94,974.00, an improvement of $179,262.06 over the preceding year. In this connection it should be noted that the provision for depreciation is $280,812.42 greater than was provided during the previous year.

During the year a Plan for the disposal of deferred interest liabilities of Fraser Companies, Limited, was completed, and 186,853½ Common Shares of Fraser Companies, Limited, represented by Voting Trust Certificates, were issued in accordance with the provisions of the Plan. Fraser Companies, Limited, resumed payment of interest on its Bonds and on its Special Bank Loan on July 1, 1936, covering interest accruing from January 1, 1936.

After taking into Current Account interest charges in connection with the Bond issues and the Special Bank Loan amounting to $1,046,609.83, purchasing $200,000.00 principal amount of Restigouche Company, Limited, Bonds, and $196,000.00 principal amount Fraser Companies, Limited, Bonds, and making capital expenditures to the amount of $314,434.00, the year's transactions resulted in a net improvement to current position of $161,883.94.

The Restigouche Pulp Mill continued to operate at full capacity during the year. A steady improvement in business has been obtained for the pulp and paper mills at Edmundston, New Brunswick, and Madawaska, Maine, and for the lumber mills. Price levels strengthened during the year, but on an average represented only a minor improvement over those obtained during 1935.

We also attach for your information Consolidated Financial Statements of Fraser Companies, Limited, and Fraser Paper, Limited, for the year ended December 31, 1936, and the Financial Statements of Restigouche Company, Limited, for the same year.

The continued efforts of the operating, sales, and administrative staffs to obtain improved results through economical operation and more efficient service is greatly appreciated.

Submitted on behalf of the Board.

K. S. MACLACHLAN,
President.

Montreal, P.Q.,
February 18, 1937.

### CONSOLIDATED BALANCE SHEET

**ASSETS**

| | | | | |
|---|---|---|---|---|
| CURRENT: | | | | |
| Cash in Banks and on Hand | | | $ 663,127.25 | |
| Accounts and Bills Receivable—Trade—less Reserve | | | 1,139,591.48 | |
| Accounts Receivable—Other—less Reserve | | | 18,590.63 | |
| Inventories of Raw Materials, Goods in Process and Finished Products at or below cost but not in excess of Market Values, and Expenditures on Logging and Pulpwood Operations, Season 1936-1937, as certified by responsible Officials of the Companies | | | 2,923,618.87 | |
| | | | | $ 4,744,928.23 |
| DEFERRED CHARGES TO OPERATIONS | | | | 19,185.83 |
| INVESTMENTS | | | | 11,350.75 |
| FIXED: | | | | |
| Freehold and Leasehold Timber Limits, Buildings, Mills, Equipment, etc., as valued at December 31, 1936 (such valuation being considerably less than cost or appraisal of the Canadian Appraisal Company at December 31, 1928) with subsequent Additions and Deductions at cost | | | $36,192,831.84 | |
| Less: Reserves: | | | | |
| Depletion | | $3,018,250.92 | | |
| Depreciation | | 4,995,620.29 | | |
| | | | 8,013,871.21 | |
| | | | | 18,178,960.63 |
| | | | | $22,954,425.44 |

**LIABILITIES AND CAPITAL**

| | | | | |
|---|---|---|---|---|
| CURRENT: | | | | |
| Accounts Payable—Trade | | | $ 1,008,670.68 | |
| Payrolls and Other Charges Accrued | | | 346,359.35 | |
| Special Loan Interest Accrued | | | 72,753.70 | |
| Bond Interest Accrued | | | 348,305.00 | |
| Instalment of Deferred Interest on Bonds payable August 1, 1937, and Accrued Interest thereon | | | 140,563.68 | |
| Provision for Taxes Payable | | | 52,754.10 | |
| Reserve for Lumber Shipments and Pulpwood | | | 47,412.37 | |
| Reserve—General | | | 91,567.33 | |
| | | | | $ 2,108,386.21 |
| SPECIAL LOAN: (Secured by $2,542,000.00 6% First Mortgage Bonds) | | | | 2,301,792.00 |
| FRASER COMPANIES, LIMITED, FIRST MORTGAGE BONDS: | | | | |
| Authorized | | | $15,000,000.00 | |
| Less: To be taken into account for Sinking Fund but not issuable | | $ 798,000.00 | | |
| Unissuable portion of $2,800,000.00 originally reserved for issue as security for Special Loan | | 28,000.00 | | |
| Redeemed and cancelled | | 397,500.00 | | |
| | | | 1,223,500.00 | |
| | | | $13,776,500.00 | |
| Outstanding: | | | | |
| Six Per Cent First Mortgage Bonds, Series of 1936 due January 1, 1950 | | | $10,576,500.00 | |
| Less: Held by Bank as security for Special Loan | | $2,542,000.00 | | |
| Held by Trustee | | 196,000.00 | | |
| | | | 2,738,000.00 | |
| | | | | 7,838,500.00 |
| RESTIGOUCHE COMPANY, LIMITED, BONDS: | | | | |
| Prior Lien Ten Year 6% Bonds due July 1, 1942: Authorized | | | $ 500,000.00 | |
| Six Per Cent Sinking Fund Mortgage Bonds due February 1, 1948: | | | | |
| Authorized and Issued: | | $4,846,000.00 | | |
| Less: Held by Trustee | $ 65,000.00 | | | |
| Redeemed and Cancelled through the Sinking Fund established by the Trust Deeds | 255,000.00 | | | |
| | | 320,000.00 | | |
| | | | $ 4,526,000.00 | |
| Add: Deferred Interest to date | | $ 543,120.00 | | |
| Accrued Interest on Deferred Interest to date | | 129,907.53 | | |
| | | $ 673,027.53 | | |
| Less: Included in Current Liabilities | | 140,563.68 | 532,463.85 | |
| | | | | 5,058,463.85 |
| CAPITAL AND SURPLUS: | | | | |
| Represented by 355,016 Shares of No Par Value out of a Total Authorized Issue of 500,000 Shares: | | | | |
| Amount attributed to Capital | | | $ 3,279,857.40 | |
| Surplus per Schedule A | | | 2,367,425.98 | |
| | | | | 5,647,283.38 |
| Note: Contingent Liability in respect of Bills under discount | | $ 74,156.14 | | |
| | | | | $22,954,425.44 |

Approved on Behalf of the Board:
K. S. Maclachlan, Director. H. Crabtree, Director.

### CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

| | | |
|---|---|---|
| *Earnings for twelve months ended December 31, 1936, after Operating Expenses, Taxes, etc., but before providing for the undernoted items | | $2,100,920.26 |
| DEDUCT: | | |
| Bank and Other Interest | $ 32,764.60 | |
| Special Loan Interest | 156,178.80 | |
| Bond Interest | 749,867.55 | |
| Deferred Bond Interest—Restigouche Company, Limited | 38,095.89 | |
| | | 976,906.84 |
| | | $1,124,013.42 |
| DEDUCT: | | |
| Provision for Depletion | $105,969.62 | |
| Provision for Depreciation | 903,000.00 | |
| | | 1,008,969.62 |
| | | $ 115,043.80 |
| DEDUCT: | | |
| Provision for Dominion Income Tax | | 20,069.80 |
| Net Income For Year to Date | | $ 94,974.00 |

*Executive Officers' Salaries and Legal Fees of $75,251.34, and Directors' Remuneration of $4,700 are included in Operating Expenses.

### Schedule "A" Consolidated Surplus Account

| | | |
|---|---|---|
| Balance at December 31, 1935 | | $3,507,710.70 |
| ADD: | | |
| Surplus on redemption of Bonds, being the difference between the purchase price and the Par Value of $54,000.00 of the Company's own Bonds Redeemed and Cancelled | | 8,413.98 |
| | | $3,516,124.68 |
| DEDUCT: | | |
| Expenditures incurred incidental to issue of Capital Stock in lieu of Accrued Bond Interest, etc., to December 31, 1935, and Revision of Agreements re security, etc., for Special Loan | $130,071.95 | |
| Compensation for Cancellation of Timber Land contracts originally entered into in 1925, 1927 and 1928 | 173,602.10 | |
| | | 303,674.05 |
| | | $3,212,450.63 |

### Consolidated Income Deficit Account

| | | |
|---|---|---|
| Balance at December 31, 1935 | | $999,651.45 |
| DEDUCT: | | |
| Net Adjustment affecting prior years including Inventory Surplus ascertained in 1936 | $35,716.85 | |
| Deferred Interest and Accrued Interest cancelled to December 31, 1935, and Bonds Purchased | 23,935.95 | |
| | | 59,652.80 |
| | | $939,998.65 |
| DEDUCT: | | |
| Net Income for year ended December 31, 1936 | 94,974.00 | |
| | | 845,024.65 |
| | | $2,367,425.98 |

TO THE SHAREHOLDERS OF FRASER COMPANIES, LIMITED:

We have examined the books and accounts of Fraser Companies, Limited, Fraser Paper, Limited, and Restigouche Company, Limited, for the year ended December 31, 1936, and in accordance with the Companies Act (Dominion), we report that we have obtained all the information and explanations we have required.

We further report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Fraser Companies, Limited, Fraser Paper, Limited, and Restigouche Company, Limited, at December 31, 1936, according to the best of our information and the explanations given to us, and as shown by the books of the Companies as at that date.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

Dated at Montreal, February 17, 1937.

# Investment Effects of Tariffs Discounted by Stock Market

## Adverse Influence for Textile Shares Appears To be Offset by Advantages in Other Canadian Industries

Stock market reaction to tariff concessions to Great Britain announced with this year's Dominion budget has been of no great consequence.

Concessions on British steel products have little influence on Canadian steel shares, largely because there is believed to be small possibility of substantial British steel exports to Canada due to the armament programme in Britain.

Substantial reductions in tariffs on British textiles had little effect on Canadian textile shares which have been selling at levels to discount unfavorable developments for some months.

There has been strength in shares of Canadian food companies which continue to benefit from free entry of their products into the British market.

### Effects on Companies

It is almost impossible to obtain precise appraisals of the probable effects of the Canadian tariff concessions on earnings of the Canadian companies most affected. One of the major reasons for this is that British industrial costs have been rising rapidly and temporarily this may defer the full effect of some tariff changes. Another is that general economic recovery has been increasing the sales of Canadian firms and the effect of some tariff changes may merely be to slacken the pace of recovery in certain industries.

Major Douglas Hallam, secretary of the Primary Textiles Institute, states that as a whole the textile schedule now provides less protection than the schedule in the Dunning budget of 1930. There is no doubt that many Canadian manufacturers of cotton and woollen goods will feel considerably more competition from British manufacturers. The progress of general economic recovery may help Canadian manufacturers to offset part of this adverse influence.

Canadian silk hosiery firms appear to benefit from an increase in their preferential rate in the British market.

### Geographical Advantages

In many cases where tariffs have been reduced, Canadian manufacturers retain an advantage of geographical location close to the consuming markets. There is an advantage in quick deliveries over British firms.

A summary of what appear to be the approximate effects of tariff changes on individual companies follows:

**Acme Glove Works**—May benefit from lower costs of materials for manufacture into finished articles, but many have increased competition too.

• • •

**Agnew-Surpass**—Lower duty on British shoes may be offset by lower tariffs on leather.

• • •

**Algoma Steel**—Little fear of adverse effects because of geographical advantage and belief that British suppliers of plates are too busy to interfere greatly with Canadian market.

• • •

**B. C. Packers**—Continued British preference on salmon helpful.

• • •

**Belding-Corticelli** — May benefit from continued British preference on Canadian silk hosiery.

• • •

**Brandram-Henderson**—May benefit from lower costs on imported materials rather than feel much stronger competition.

• • •

**Bruck Silk**—Lower rates on silk yarns and fabrics may be only moderate influence.

• • •

**Burns & Co.** — Continuation of preference leaves the same room as heretofore for expansion of export volume.

• • •

**Canada Packers**—British preference continues to offer scope for greater markets for major products.

• • •

**Canadian Canners**—Changes appear of no important consequence.

• • •

**Can. Converters** — Being a converter of manufactured cotton goods may actually benefit from ability to import materials under lower duties.

**Can. Celanese**—Not affected favorably by reduced duties on artificial silks but whether effects will be important remains to be seen.

• • •

**Canadian Cottons**—A. O. Dawson, president of the company, says: "Cuts in the present rates are serious in view of the reductions made last year."

• • •

**Canadian Industries**—There may be a tendency toward increased competition in some specialized chemical lines because of lower tariffs.

• • •

**Can. Wallpaper** — Reduction of duty on British paper hangings may result in moderate increase in competition.

• • •

**Celtic Knitting** — Will probably feel increased competition from British knit goods.

• • •

**Cosmos Imperial**—Being manufacturer of heavier cotton goods, not expected to be affected materially by British competition.

• • •

**Dominion Glass** — Possibility of more British competition.

• • •

**Dominion Steel & Coal**—High rate of activity in British steel industry at present believed to remove possibility of substantial increase in competition at present.

• • •

**Dominion Textile** — Effects of tariff concessions apparently adverse, but G. Blair Gordon, managing director says, "We shall have to wait and see how it works out."

• • •

**Dominion Woollens**—has prospect of keener competition on major lines.

• • •

**English Electric**—Reduced duty on light bulbs doesn't affect plans to make them here.

• • •

**Ford of Canada**—British preference continues helpful to export business.

• • •

**General Steel Wares**—Possibility of more competition from British steelware and enamelware, but may be offset by the company's geographical advantage.

• • •

**Guelph Carpet** — Likely to feel greater competition in yarns, carpets, and woollen manufactures.

• • •

**Harding Carpets** — Possible increase in imports of British rugs, particularly cheaper grades, regarded as distinctly unfavorable.

• • •

**Hunt's**—Lower tariffs on British confections believed of little significance.

• • •

**Imperial Tobacco**—No important competition in volume lines believed likely under elimination of ad valorem tariff on cigarettes because of continued duty of $3.50 a pound.

• • •

**John A. Lang**—May be affected by lower tariff on gloves but may also get leather more advantageously.

• • •

**Laura Secord**—Not expected to be affected by reduced duties on British confectionery.

• • •

**McCormick's**—Imports of British sweet quality biscuits continue free and competitive in better grades.

• • •

**Mercury Mills**—Expected to feel effect of higher imports of British woollen knit goods, but continues to have British preference on silk hosiery exports.

• • •

**Monarch Knitting** — British knit goods likely to increase competition substantially.

• • •

**Montreal Cotton Co.**—Competition likely to be increased from Britain and possibly U. S., but comment of G. Blair Gordon on Dominion Textile Co. may be equally applicable to Montreal Cottons.

• • •

**National Sewer Pipe**—Possibility of competition from British drain and sewer pipes, blocks and building tile, but modified by high rate of activity at present in British building industry.

• • •

**National Breweries**—Reduction in the British preferential tariff on ale, beer, stout and porter may make quite a difference to Canadian industry, according to Norman J. Dawes, president of National Breweries. "In the face of enormous taxes and restrictions on sales in different provinces, this will bring additional hardships to the brewers."

• • •

**Ontario Silknit**—Receives somewhat greater preference in British market and general effect appears favorable.

• • •

**Page-Hersey**—Hardly affected by changes in tube and pipe duties, and actually looks for increased exports this year.

• • •

**Penmans Ltd.** — Expected to encounter stronger British competition in major lines.

• • •

**Paton Mfg. Co.**—The Canadian cloth manufacturing industry will carry on with a somewhat reduced margin, according to J. G. Dodd, vice-president. He says: "Canada has made a generous gesture toward the cloth manufacturers in the Bradford district of England and contributed its share to the success of the trade agreements with Britain."

• • •

**Riverside Silk**—While not affected directly, the company may benefit through somewhat greater British preference to its customers who export silk hosiery made from silk yarn.

• • •

**Shawinigan Chemicals** — Concessions granted to British chemical manufacturers do not appear to affect this company.

• • •

**Sherwin-Williams**—Lower duties may simply reduce costs rather than bring important competition, except for adverse reduction of duty on Paris green.

• • •

**Simpsons**—Reduced tariffs give opportunity for better margin of earnings on a number of lines of merchandise.

• • •

**Stanfields Ltd.** — Likely to feel more British competition in knit goods.

• • •

**Howard Smith Paper**—Increase in the drawback on paper for periodicals may affect this company's business. However, the major part of its revenue is secured from products other than magazine stock.

• • •

**Steel Co. of Canada**—Believed unlikely to be affected seriously by steel tariff changes due to already great activity of British steel mills on their domestic business.

• • •

**Supersilk Hosiery**—Exports continue under increased British preference.

• • •

**G. Tamblyn**—Like other merchandising firms may get benefits from lower costs for toiletries and some chemicals, etc.

• • •

**Tooke Bros.**—May benefit from lower costs and greater variety of imported materials for manufacture into garments.

• • •

**Tip Top Tailors**—One of many Canadian firms converting textile goods into finished wearing apparel which may benefit from ability to face increased U. S. competition import varied lines under reduced duty.

• • •

**Wabasso Cotton Co.**—Appears to under change in intermediate tariff and from Britain under preference.

• • •

**Geo. Weston**—Continued free import of sweet biscuits, may tend to hold prices down and maintain competition.

• • •

**Willard's Chocolates** — Reduced duty on confectionery may be moderately adverse.

• • •

**Woods Manufacturing** — May get some raw materials cheaper and does not appear much affected in heavier cottons.

• • •

**Zimmerknit Co.**—Likely to feel increased British competition.

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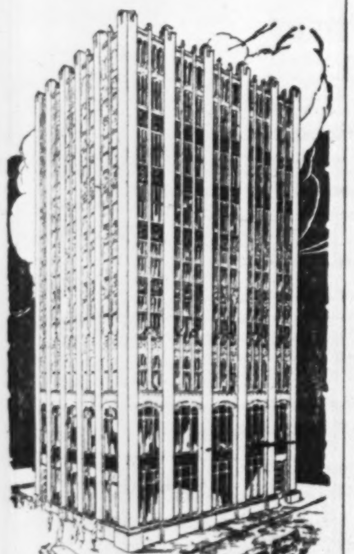

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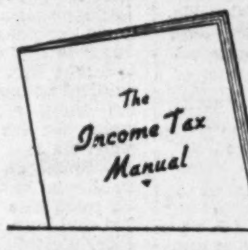

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PROVIDE A NATIONAL COVERAGE ACROSS CANADA

# Canada Explores Health Insurance

## *Bruce Urges Commission To Study National Plan*

### Dominion Survey Proposed as First Step in Bringing All Provinces Under One System of Health Insurance

**By HON. HERBERT A. BRUCE**
**Lieutenant-Governor of Ontario**
Briefed from an address before the Ontario Medical Association.

In simpler days the solution of a great many problems was left, fairly successfully, to personal initiative. But we happen to be living in an age when individual responsibility is no longer enough.

My meaning becomes clear as soon as we turn our attention to the subject of my remarks to you—National Health. Those two words in themselves announce to us in unmistakable terms a change in the direction of human effort. We are no longer considering the health of an individual but of millions of individuals. We are speaking of the health of a nation. And as soon as we do this we recognize that this is no longer a matter of the individual responsibilities of a doctor but a very much bigger and more complicated matter which, like Caesar's Gaul, may be divided into three parts, the doctor, the people and the state.

**Never Refuse Services**

To the lasting honor of the medical profession let it be said that no practitioner ever refuses his services to anyone. As we all know his fees are based upon the ability of the patient to pay. It is a very elastic and accommodating state of affairs for everyone except, possibly, the individual doctor. He is frequently placed in an individious position. He oscillates between the horns of a dilemma. On the one hand, the simplest ethical and humanitarian instincts plus the standards of his profession make it necessary that he give his services to all who need them. On the other hand he must, in all justice, be remunerated for his service if he is to live and give adequate medical service.

I suppose one third of all the work done by doctors is voluntary work, done without hope or possibility of reward. This must always be so as long as there is no plan laid down for progress in National Health. In any nation the incidence of disease is heaviest upon those groups that are the poorest and consequently the least able to pay for medical service. Those who can ill afford medical services are also numerically the largest group in any country. And a denial of this fact and a blindness to its implications are responsible for a great deal of injustice to doctors.

**Viewpoint of Public**

And now let us turn our attention away from our profession to the people. It is not necessary to call in expert testimony, and we need not conduct any elaborate survey of public health conditions in order to arrive at a simple truth which we must not ignore. That truth is, that the majority of people experience the greatest difficulty in paying for medical services. I am not referring to those who cannot pay at all—the unemployed and the indigent. I am referring to the low-wage earners. When the everyday expenses incurred by them and their families have been met, they have and can have nothing whatever to meet the additional expenses of illness or accident.

It seems unnecessary to point out, too, that illness is no respecter of political boundaries. And yet one of the most persistent fallacies on which we are content to base any plans we have in mind for the improvement of public health is this traditional but wrong habit of insisting upon an artificial division of effort making all co-operation impossible. We think provincially instead of nationally. We think of Ontario, or Manitoba or British Columbia but never of Canada. This pernicious provincialism is, I fear, directly traceable to the British North America Act. This provincialism in tackling health problems makes an effective solution impossible and any attempt we may make to improve the standards of public health by making medical services available to the lower income groups is thereby rendered ineffectual.

It must be obvious, for example, that Health Insurance is a problem which cannot be solved piecemeal, but only by concerted national plans carried out on a Dominion-wide scale.

**British Columbia**

We are at this very time watching events in British Columbia. Twenty-five years after England and more than 50 years later than Germany, one province in Canada has courageously undertaken a policy of Health Insurance. One province acting independently to solve what is essentially a national problem with national implications; and we sit on the fence and watch. We hear the rumblings of storms. We hear that the doctors are objecting to many things. They object that the British Columbia scheme of health insurance does not include indigents. It does not include the lowest salary group from $500 down. It does not provide sufficient money for a satisfactory medical service. There are, we learn, other objections.

Confident though I am that health insurance is bound to come, it would be unfair to minimize these objections. They are real and, I believe, honestly put forward. But I am none the less aware that here again we have but another example of the ultimate impossibility of arriving at a satisfactory provincial solution of a federal problem. Any health scheme of insurance, which excludes the lowest income groups and the indigents is evidently far from perfect.

**Federal Conference**

On the 25th and 26th of April, 1935, the provincial ministers of health met in Ottawa. There they passed a resolution, moved by Dr. Faulkner, our Ontario minister of health, that a Royal Commission be appointed to examine the whole question of medical services to the people of Canada.

The needs of the Canadian citizen are everywhere the same. The demand for financial security in time of illness is the most normal of human demands. The underpaid, the unemployed and the indigent, like all their more fortunate fellow citizens, need something more than food. Medical service, also, is a necessity of life. That being so health insurance in Canada is essential if the health of the entire nation is no longer to be left at the mercy of chaotic circumstance.

Even should health insurance be successfully opposed in British Columbia it will not be because health insurance is not something vitally necessary to national health, it will not be because of the ill will of our profession or the lack of public demand for it which is even now vociferous, but it will be because a province has nobly attempted a task which in the economic and medical nature of things is a national responsibility.

**Essex County Experiment**

Two years ago the Ontario Government entrusted to the Ontario Medical Association the administration of medical relief to all unemployed persons and their dependents in this province. Since then over 3,000 doctors have participated in the plan and have provided general practitioner service to a group of people numbering sometimes as many as 400,000.

The service is limited to office, home and confinements in the home. Each county society in the association was given the responsibility of managing the plan within its own area. In this way 96 medical relief committees were appointed. As time passed some of these committees were merged, so that today there are approximately 60 of them.

**Statistical Survey**

At the very outset the Essex County Medical Society decided that they were more interested in getting statistics and facts arising out of this service than they were in the amount of money they might receive for the service. A plant was worked out known as the punch card system. On each card is recorded full particulars about the patient, the diagnosis and the number of calls made. A machine tabulates these cards.

At the same time a record of all persons on relief was established. The record discloses the doctors selected by the relief recipients. Now, by putting together the information provided on the cards by the doctors and the information provided by the municipalities about those on relief, there is shown in minutest detail, the incidence of illness, the types of illness, the number of calls made by each doctor, the total cost, if all services had been paid for under the regular schedule of fees, and finally the actual percentage of fees paid with the amount of money available in the fund.

**Receive Endowment**

The system shows whether or not the patients have been shopping from doctor to doctor or going to the same one. It shows where some doctors are giving more service to the people than others and it shows also whether, as time passes, the amount of services being demanded by relief recipients increases or decreases.

With the punch card the Essex County Society developed a morbidity code which, by use of numbers, discloses any and all information which might be desired about the illness of all patients treated. What is being done there has attracted attention, it has awakened interest everywhere. It is an inspiring spectacle, showing a way, setting an example. The Rockefeller Foundation has now voted $23 millions to the Ontario Medical Association to enable Essex County to continue work which in their opinion promises to "provide important and new information regarding the real medical needs of a large group at the bottom of the economic scale and the costs of supplying these needs."

**National Measures**

These are isolated happenings, but full of significance. Recently Premier Hepburn of Ontario gave public expression to his realization that health cannot be effectively dealt with as a purely provincial matter. Indeed he stated that the only way to avoid unnecessary duplication and thereby to reduce expense is to make health a federal matter.

Problems of health are the same in every part of Canada. Is it not but reasonable, is it not indeed the part of wisdom to recognize this and to solve a national problem by national measures? Today each province duplicates the health measures of every other province. Across Canada the expense of health administration is multiplied by nine to no effective purpose. We need and must have unity of effort in tackling problems common to all of us. The proposed Royal Commission on Health to which I referred, overstepping all provincial boundaries, is sufficient and very striking evidence that provincial ministers of health are as one in recognizing that no progress in national health can be made without co-ordination of plans and co-operation in carrying out those plans.

**Combined Effort**

Let the ministers of health in each province lay the facts before such a Royal Commission. Let the medical organizations be called into consultation. The result will be but to emphasize that the problems by which they are faced are identical and await a common solution. Then let a body of expert actuaries consider in detail the economic aspects of health insurance as a national measure. Let our citizens be convinced by the irrefutable evidence of facts and figures that health insurance is not a vain dream for Canada while it is a long realized and beneficent fact in other countries.

Then what is happening today in British Columbia where it is objected that low income groups and indigents are not cared for under the new health insurance scheme may be linked to what is happening here in Essex County.

Under a national health scheme the advantages derived from experience in any one part of Canada could be made available to all parts. There would be too a central federal authority eliminating all necessity for duplication of effort with all the consequent waste and expense that are unavoidable when there is no co-ordination.

## *B.C. Insurance Election Issue*

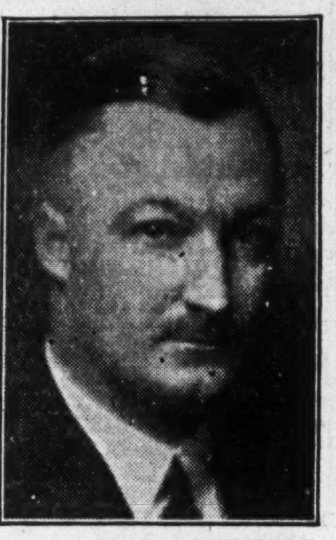
From Our Own Correspondent

VANCOUVER. — Health insurance may yet be the major issue of the coming British Columbia election.

Enforcement of the plan has, of course, been indefinitely delayed because of the opposition of medical men, and the future is clouded. Advisers of the Government believe that the only sure way of testing the issue is to make a referendum of it and submit it at the same time as the Pattullo Government seeks endorsement at the polls.

Health insurance, it is claimed, will give the Government a fighting issue. Without a better indication of public approval, the Government would be unwise to attempt application of health insurance, according to the policy-framers at Victoria. The chief stumbling block is Hon. G. M. Weir, father of health insurance in the province, who has not yet indicated whether he will stand for a referendum.

If Dr. Weir will submit to a referendum, it is expected that a provincial election may be held in May or June.



***INSURANCE DIRECTOR***

L. O. Breithaupt, of Kitchener, Ont., president of Breithaupt Leather Co., and a director of Corporate Investors, Ltd., who was recently elected a director of the Economical Mutual Fire Insurance Co.

## Dividend Details Given by Sun Life

### Policyholders Will Receive 10 Per Cent More This Year

The increase in dividends on participating policies of the Sun Life Assurance Co. of Canada will involve distribution of an amount approximately 10% greater than last year's total.

The basic factors used in calculating the dividends have been completely revised this year, and accordingly, the dividends on individual policies are not uniformly affected.

The greatest increases are shown on those plans in which the mortality element is most prominent and the least are those plans in which the investment element predominates. The special fifth-year dividend has been increased for all longer term insurance plans. The new scale will apply to all annual dividend policies from April 1, 1937.

A special scale of dividends continues to apply to all policies containing the income disability benefit but the deductions from the regular scale will be less than those in the previous year.

On single premium policies, a completely revised scale has also been introduced. This will provide for a reduction in dividends for plans of shorter duration.

Excess interest on dividends and proceeds of policies left on deposit with the company will be allotted at the same rate as in 1936. The total interest rates, including guaranteed and expense interests will be 3¾% per annum.

## Health Plan Is Under Way In Ontario

### Employer - Employee Groups Will be Formed Under Scheme

**BOARD OF DIRECTORS**

Major interest in health insurance shifted last week, temporarily at least, from British Columbia to Ontario.

Reason was announcement by the Ontario Medical Association of a voluntary insurance plan to be launched in the next few weeks. The plan is province-wide in scope, but is only operative upon application from an authorized branch of the association. Three applications, from Toronto and from Norfolk and Essex counties, have been made to date.

The project is to be administered by Ontario Medical Services, Inc., for which it is proposed to take out a provincial charter, and which will be guided by a board of directors comprising medical men and laymen. This corporation will be made up of two types of members, medical and non-medical, with both types of membership, of course, purely voluntary.

**Monthly Rates**

Non-medical participants in the scheme will contribute monthly premiums to the corporation at the rate of $2 a month for the first member of a family, $1.75 for the second, $1.50 for the third, $1.25 for the fourth and $1 for each additional member. In other words, an average family of five will pay $7.50 a month.

In return for this outlay, there will be provided complete attendance by the physician at home, office or hospital, operating costs anaesthetist's fee, and a limited amount of drugs. Operating costs cover any operation which is ordinarily considered within the range of a competent surgeon. At the discretion of the corporation, a patient may be required to pay a portion of the cost of a highly specialized operation.

**Non-Profit Plan**

The plan is strictly on a non-profit basis. Non-medical participants have the right to select their physician from the list of medical participants and he will be paid at the rates laid down in the tariff of the Ontario Medical Association. Actual cost sheets will be produced each month covering every detail of the service, and rates will be adjusted from time to time giving effect to the experience in the previous six months or year.

Sponsors of the project hope that premiums will be paid in groups; that is, that the plan will be undertaken by employer-employee groups on a contributory basis. Already, the Civil Servants' Association of Ontario has entered into the scheme, and estimates indicate that some 1,000 civil servants will participate. Other prominent organizations are giving the plan serious consideration. Among these are reported to be school teachers' associations and industrial concerns.

**Primarily for Wage Earners**

The service has been extended, officials of the medical association explain, primarily to wage earners who will pay a regular sum within their means to provide against the expenses of an illness. In Toronto and Norfolk county, there is no income limit. In Essex county, only those earning less than $1,800 are eligible.

In announcing the plan, Dr. W. K. Colbeck, president of the Ontario Medical Association pointed out:

"It is realized that while the Provincial Government is now of a necessity financing the medical service to people on relief on an honorarium payment basis to the doctors, which gives the medical men only a percentage of the cost of the service, considerable time must elapse before any government, co-operating to the fullest extent with the doctors, will have a method of administration worked out sufficiently to enable medical service to be offered to even a low-wage earning group.

"Therefore, the doctors, through the Ontario Medical Services, Inc., with laymen representing labor and industry on the board, are hoping that the public will cooperate in this voluntary scheme and that a compulsory health insurance act for those able to contribute will not be necessary."

## Mutual Life of New York Appoints Canadian Agent

E. A. Uhl has been appointed Canadian chief agent of the Mutual Life Insurance Co. of New York. He will also act as special agent for the company's business in Quebec, the Maritimes and Newfoundland.

Mr. Uhl has been connected with the company for the last 37 years, 23 having been spent in Canada.

## Insurance Problems

**Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

### Reciprocal Managers

I would appreciate it if you would kindly advise me if Reciprocal Managers, Ltd., of Toronto, is licensed to write insurance in Canada? If so, what is the standing of the company?

Reciprocal Managers Limited is not in itself an insuring organization. It is a managing corporation, and acts as manager for the Canadian Reciprocal Underwriters and Canadian Managers for the Associated Reciprocal Exchanges of New York. The latter are five reciprocal exchanges: Individual Underwriters; New York Reciprocal Underwriters; Affiliated Underwriters; Fireproof Sprinklered Underwriters; and Metropolitan Inter-Insurers.

These five New York organizations hold Dominion licenses and have made the necessary deposits to the Receiver-General at Ottawa for the sole protection of Canadian policyholders. In addition, they hold licenses from the various provinces. Canadian Reciprocal Underwriters, being a domestic reciprocal exchange is unable to be licensed by the Dominion Government in view of the fact that there is no provision in the Dominion Isurance Laws. However, the exchange is domiciled in Ontario and holds a charter from the Insurance Department of that province. It has also obtained licenses in all other provinces except Prince Edward Island.

The exchanges write preferred risks only, the various properties being placed with different companies according to the classification of the property. They have established a record of conservative underwriting over a period of years, and number some very large clients. The reciprocal feature of the company's business, of course, should be kept in mind. Those insuring in a reciprocal exchange, of course, bind themselves to pay for the losses incurred by other members. Thus, it may be readily seen that one of the fundamental requirements for the success of any such organization is the character of the risk it assumes.

The two essentials of a successful reciprocal are an implicit faith between subscribers and a thorough knowledge of the power of attorney on the part of a subscriber. If these two factors are present, there is no reason why a satisfactory contract cannot be worked out.

### Insurance Inklings

J. C. MILLER, K.C., has been appointed a director of the Portage la Prairie Mutual Insurance Co.

B. P. CRICHTON has been appointed manager for the Windsor area of the Equitable Life Insurance Co.

United States
Fidelity & Guaranty
Company
TORONTO

WINNIPEG, PORTAGE LA PRAIRIE, REGINA, CALGARY

THE PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
Established 1884

The Fifty-Third Annual Report of

The PORTAGE LA PRAIRIE Mutual Insurance Company

Balance Sheet—As on December 31st, 1936

| ASSETS | | LIABILITIES AND SURPLUS | |
|---|---|---|---|
| Book Value of Real Estate | $ 10,000.00 | Provisions for Unpaid Claims | $ 22,502.53 |
| Book Value of Bonds and Debentures | 432,353.97 | Reserve of Unearned Premiums | 123,715.70 |
| Deposits with Trust Companies | 20,000.00 | Provisions for Taxes | 10,679.54 |
| Book Value of Stocks | 137.50 | Reinsurance Accounts Payable | 8,737.91 |
| Cash in Banks | 25,134.99 | Reserve for Unlicensed Reinsurance | 13,360.14 |
| Interest Accrued | 4,447.25 | Reserve for Unlicensed Unsecured Reinsurance | 916.20 |
| Assessments Unpaid | 18,417.18 | All Other Accounts Payable | 2,090.32 |
| Agents Balances (Current) | 21,977.37 | Investment Reserve | 13,429.54 |
| Reinsurance Accounts Receivable | 3,087.89 | Surplus Assets | 360,726.97 |
| Surrender Value of Life Insurance | 20,109.71 | | |
| Other Accounts Receivable | 492.99 | | |
| | $556,158.85 | | $556,158.85 |

Unassessed Premium Notes and Accounts $585,095.79

**Auditors' Report to the Policyholders:** We have examined the financial books and accounts of The Portage la Prairie Mutual Insurance Co. for the year ended December 31st, 1936, and have received all the information and explanations we have requested. The amounts shown therein as liability for unearned premiums, unpaid losses, taxes and reinsurances, have been certified as correct by officers of the Company. The bank balances and securities representing the Company's investments in bonds have been verified; the first by certificate obtained from the depositaries, and the second by actual examination in the vaults of the Canadian Bank of Commerce in the City of Portage la Prairie. Unadmitted assets comprising autos and office furniture and fixtures, etc., with a book value of $2,630.37: also $16,000.00 of securities held "in trust" for re-insuring Companies together with relative credit for the same amount, are not included in the above balance sheet. Upon the basis of the foregoing explanations, and the information given to us, it is our opinion that the financial position of the Company is properly summarized in the annexed balance sheet, which is in accordance with the books.

Winnipeg, January 28th, 1937. RONALD, GRIGGS & CO., Chartered Accountants.

M. G. TIDSBURY, President
A. H. THORPE, Mgr.-Secretary
E. H. MUIR, Vice-President
A. G. HALL, Treasurer

DIRECTORS
E. H. MUIR M. G. TIDSBURY P. D. McARTHUR JAMES McKENZIE
ROBERT McDERMOTT HON. D. L. CAMPBELL, M.L.A. J. C. MILLER, K.C.
JOSEPH TRIMBLE ARTHUR SULLIVAN, K.C., WINNIPEG

"The Company operates under the Dominion Insurance Act, and is subject to annual inspection by Dominion Government Officials."

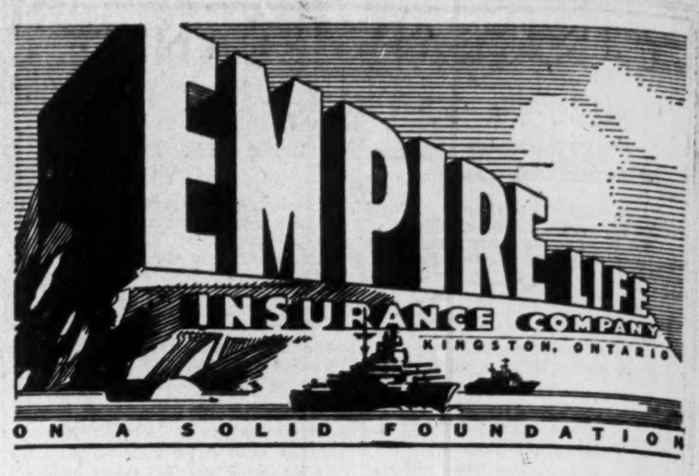
FIRE AND WINDSTORM INSURANCE

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY



The Independent Order of Foresters
*Monthly Income During Disability*

*Certificate Plan B:* Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

*In addition*, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

THE MONARCH LIFE ASSURANCE COMPANY
Established — 1906
A Strong Progressive Company
Offices from Coast to Coast

Selected Risks mean BIGGER DIVIDENDS for our POLICYHOLDERS

BRANCHES ACROSS CANADA
Vancouver
Kelowna
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax

BY selecting only the highest type of risks this company is able to effect substantial savings for its policyholders, which are returned to them in the form of dividends. In 1935 $1,098,428 were distributed in this way.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.

The Annual Statement of
NORTHWESTERN MUTUAL FIRE ASSOCIATION
FOR THE YEAR 1936

BUILDING soundly and consistently upon time-proven principles of Mutual insurance, this Company's record is one of uninterrupted progress and expansion, until today it has achieved a position of incontestible strength and soundness.

SOUND CONSERVATIVE GROWTH

| Year | Admitted Assets | Surplus (Including Voluntary Reserves) | Premiums Written |
|---|---|---|---|
| 1906 | $ 124,312.33 | $ 397.88 | $ 200,011.47 |
| 1916 | 486,094.21 | 132,744.32 | 771,851.77 |
| 1926 | 3,751,733.94 | 712,358.80 | 5,864,208.93 |
| 1936 | 6,907,141.05 | 2,016,206.49 | 6,511,778.14 |

*Losses Paid to Policyholders Since Organization ____ $38,099,944.66*
*Dividends and Savings to Policyholders Since Organization ____ $24,012,030.95*

POLICYHOLDER BENEFITS YEAR 1936
LOSSES PAID ............ $2,150,763.28
DIVIDENDS PAID TO POLICYHOLDERS ............ $1,143,727.68

COMPANY HIGHLIGHTS
1. Dividends are paid direct to Policyholders.
2. Policies are non-assessable.
3. Careful selection of properties and owners, and full co-operation of policyholders have resulted in dividends and savings to policyholders of over 24 million dollars.
4. Prompt and satisfactory settlement of losses.

SUMMARY FINANCIAL STATEMENT
As of December 31, 1936

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash in Office and Banks | $1,014,159.95 | Reserve for Losses and Adjustment Expense | $ 320,891.81 |
| Securities<br>These securities consist of Government, state and municipal bonds at amortized value and other securities of the highest grade plus accrued interest. | 4,803,736.42 | Reserve for Unearned Premiums<br>This reserve is the full unearned portion of the premiums and is available for the payment of losses. | 4,183,786.12 |
| Premiums in Course of Collection<br>All accounts over 90 days old are excluded. | 774,650.87 | Reserve to Cover All Other Liabilities<br>This is a reserve to cover taxes accrued and all other miscellaneous liabilities. | 386,456.63 |
| Miscellaneous Assets<br>Consisting of amounts due from other insurance companies, real estate owned, etc. | 314,593.81 | *Surplus<br>Includes $100,000.00 voluntary reserve. | 2,016,206.49 |
| *Total Admitted Assets Belonging to Policyholders<br>From these assets we have excluded all furniture and fixtures, automobiles, printing plant, supplies and premium accounts over 90 days old. | $6,907,141.05 | Total | $6,907,141.05 |

*On the basis of December 31, 1936, market value for all stocks and bonds owned, assets and surplus would be increased by $189,265.30 to: Assets, $7,096,406.35; Surplus, $2,205,471.79

HEAD OFFICE IN CANADA:
Randall Building, 535 West Georgia St., Vancouver, B. C.

BRANCHES:
TORONTO, HAMILTON, OTTAWA, HALIFAX, N.S., ST. JOHN, N.B., QUEBEC CITY, MONTREAL, WINNIPEG, SASKATOON, EDMONTON, CALGARY, KELOWNA, VICTORIA

# CANADIAN CELANESE LIMITED

Annual Report

## For the Year Ended December 31st, 1936

To the Shareholders of
Canadian Celanese Limited:

Appended hereto are copies of the Balance Sheet and Earned Surplus Account as at December 31, 1936, Statement of Income and Expenditure for the year ended December 31, 1936, and a Statement showing the amount of Earned Surplus available for distribution as a participating dividend on the Preferred Stock, together with the Auditors' Certificate.

Net profits for the year were $1,519,503.90 as compared with $1,602,960.19 for the year 1935.

In accordance with the provisions of Special By-Law "A" there was appropriated from net profits for payment of interest on the Income Funding Rights and Sinking Fund an amount of $122,400.00, leaving a balance of $1,397,103.90 which was transferred to Earned Surplus Account. In addition there was credited to Surplus the premium received from the sale of 10,000 7% Cumulative Participating Preferred shares amounting to $150,000.00; also to Distributable Surplus $62,500.00 representing a proportion of the amount received from the sale of 10,000 Common shares.

The total consideration received for the 10,000 7% Cumulative Participating Preferred shares and the 10,000 Common shares issued during the year was $1,400,000.00 cash.

The participating dividend to which the Preferred shareholders are entitled with respect to the year 1936, will be paid when declared by the Board of Directors.

During the year the Company spent approximately $900,000.00 in Capital Expenditures for increased facilities at your Company's plant.

For the Board of Directors,
CAMILLE DREYFUS,
President.

### Balance Sheet as at December 31, 1936

| | | |
|---|---|---|
| **ASSETS** | | |
| CURRENT: | | |
| Cash on Hand and in Banks | $1,225,058.36 | |
| Government Bonds and Other Securities at cost (approximate market value $1,332,044.00) | 1,221,704.27 | |
| Trade Debtors, less Reserve for Doubtful Accounts | 763,596.35 | |
| Other Accounts Receivable and Accrued Interest | 27,026.28 | |
| Inventories of Raw Materials, Supplies, Work in Process, and Finished Goods, as determined and certified by the Management and valued at cost | 1,620,372.01 | |
| | | $ 4,857,759.27 |
| DEFERRED AND PREPAID CHARGES: | | |
| Unexpired Insurance and Taxes | 22,852.93 | |
| Inventories of Stationery and Advertising Materials | 9,511.78 | |
| Expenses applicable to future operations | 17,353.19 | |
| | | 49,717.90 |
| SECURITIES HELD FOR INVESTMENT, valued at cost | | 235,574.39 |
| FIXED: | | |
| Real Estate, Plant, Machinery and Equipment, at cost | | 10,760,492.83 |
| Patents, Processes, Trade Marks and Contracts | | 1,629,570.83 |
| SPECIAL FUND re INCOME FUNDING RIGHTS, as per Contra | | 367,200.00 |
| ASSETS HELD FOR SPECIAL FUND— | | |
| Cash in Bank | 105.00 | |
| Government Bonds at cost (approximate market value $303,480.00) | 277,920.00 | |
| Income Funding Rights, 3,567 Rights valued at $25.00 per Right | 89,175.00 | |
| | $ 367,200.00 | |
| | | $17,900,315.22 |
| **LIABILITIES** | | |
| CURRENT: | | |
| Accounts Payable and Accrued Liabilities | $ 401,134.32 | |
| Provision for Dominion, Provincial and Municipal Taxes | 343,574.39 | |
| Interest on Income Funding Rights | 84,965.00 | |
| | | $ 829,673.71 |
| RESERVES: | | |
| For Depreciation of Buildings, Machinery and Equipment | 2,031,769.61 | |
| For Amortization of Patents and Processes | 576,206.48 | |
| For Contingencies, Unascertained Charges, etc. | 39,066.19 | |
| Special Reserve | 450,000.00 | |
| | | 3,097,042.28 |
| CAPITAL STOCK: | | |
| Authorized— | | |
| 150,000 Shares 7% Cumulative Participating Preferred, Par Value $100.00 per share. | | |
| 300,000 Shares Common, without nominal or Par Value. | | |
| Issued— | | |
| 100,000 Shares Preferred | 10,000,000.00 | |
| 260,409 Shares Common | 1,169,045.00 | |
| (Including 10,000 Shares Preferred and 10,000 Shares Common issued during 1936 for cash.) | | 11,169,045.00 |
| Income Funding Rights having the attributes set forth in Special By-Law "A": | | |
| Issued under the Scheme of Arrangement of November 7, 1934 | 90,000 Rights | |
| Less: | | |
| Purchased and held in Special Fund, as per Contra 3,567 | | |
| Purchased for and delivered to Sinking Fund 1,497 | | |
| (Rights purchased by the Company cannot be re-issued) | 5,064 Rights | |
| | 84,936 Rights | |
| Balance of Sinking Fund re Income Funding Rights set aside in accordance with the provisions of Clause 3 of Special By-law "A" | | 10.00 |
| Special Fund re Income Funding Rights, as per Contra: Set aside in accordance with the provisions of Clause 5 of Special By-law "A" | | 367,200.00 |
| SURPLUS ACCOUNTS: | | |
| Capital Surplus— | | |
| Premium received on 10,000 Preferred Shares issued during the year | 150,000.00 | |
| Proportion of amount received upon the issue of 10,000 Common Shares during the year, set aside by the Board of Directors as "Distributable Surplus" in accordance with the provisions of Sub-section 7 of Section 12 of The Companies Act, 1934 | 62,500.00 | |
| | 212,500.00 | |
| Less: Expenses re issue of Preferred and Common Shares during the year | 3,931.97 | |
| | 208,568.03 | |
| Earned Surplus, per Statement attached | 2,228,776.20 | |
| | | 2,437,344.23 |
| | | $17,900,315.22 |

Approved on behalf of the Board:
(Signed) C. L. AUGER, Director.
(Signed) P. A. THOMSON, Director.

Examined and Certified in accordance with our attached Certificate.
P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 15, 1937.

### Statement of Income and Expenditure For the Year Ended December 31, 1936

| | | |
|---|---|---|
| Net Operating Profit before taking up the items below | | $ 2,120,551.17 |
| ADD: | | |
| Income from Investments | $ 134,337.02 | |
| Profit on Income Funding Rights purchased for Special Fund and for Sinking Fund | 21,922.95 | |
| | | 156,259.97 |
| | | 2,276,811.14 |
| DEDUCT: | | |
| Remuneration of Executive Officers and Directors required to be shown separately under Section 113 (2) of The Companies Act | 72,340.00 | |
| Fees of Directors not included above | 7,760.00 | |
| Legal Fees | 24,265.00 | |
| Depreciation | 352,942.24 | |
| Reserve for Income Tax | 300,000.00 | |
| | | 757,307.24 |
| Net Profit for the year | | 1,519,503.90 |
| DEDUCT: | | |
| Amount appropriated for Interest for 1936 and Sinking Fund re Income Funding Rights, in accordance with the provisions of Clause 3 of Special By-law "A" | | 122,400.00 |
| Balance of Net Profit for the year transferred to Earned Surplus Account | | $ 1,397,103.90 |

### Earned Surplus Account as at December 31, 1936

| | | |
|---|---|---|
| Balance at Credit, January 1, 1936 | | $ 2,402,747.86 |
| DEDUCT: | | |
| Amount set aside out of profits earned subsequent to December 31, 1934, in Special Fund re Income Funding Rights, in accordance with the provisions of Special By-law "A" | | 367,200.00 |
| | | 2,035,547.86 |
| DEDUCT: | | |
| Additional Income Taxes for 1934 and 1935, less adjustments of Other Taxes | | 42,025.94 |
| | | 1,993,521.92 |
| ADD: | | |
| Net Profit for the year, after providing for Interest and Sinking Fund re Income Funding Rights, transferred from Statement of Income and Expenditure | | 1,397,103.90 |
| | | 3,390,625.82 |
| DEDUCT: | | |
| Dividends Paid: | | |
| On Preferred Shares— | | |
| At rate of 7% per annum, for 1936 | $ 665,695.22 | |
| Participating Dividend of 95 cents in respect of the year 1935 | 85,500.00 | |
| | 751,195.22 | |
| On Common Shares, at rate of $1.60 per share | 410,654.40 | |
| | | 1,161,849.62 |
| Balance at Credit, December 31, 1936 ($69,003.06 of which is subject to distribution as a Participating Dividend, when declared) | | $ 2,228,776.20 |

### AUDITORS' CERTIFICATE

CANADIAN CELANESE, LIMITED, February 15, 1937.
MONTREAL.

We have examined the books of account and financial records of Canadian Celanese Limited for the year ended December 31, 1936, and have obtained all the information and explanations we have required.

As at December 31, 1936, the Reserve for Amortization of Patents and Processes was increased by an amount of $63,372.64 which was appropriated by the Directors of the Company from the Reserve for Contingencies, Unascertained Charges, etc.

We certify that, in our opinion, the attached Balance Sheet and relative Statement of Income and Expenditure and Earned Surplus Account present a true and correct statement of the financial position of the Company as at December 31, 1936, and the result from operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

There is attached a Statement showing the amount of Earned Surplus as at December 31, 1936, available for distribution as a Participating Dividend on the Preferred Stock; we certify that, in our opinion, this Statement is correct.

P. S. ROSS & SONS,
Chartered Accountants.

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# Bank Chat

## *Volume and Velocity*

IN REFERRING to the increasing velocity of money circulation as reflected in a rising volume of bank debits, Finance Minister C. A. Dunning gave a very neat presentation of the case against "printing press money." As bankers are only too well aware, money cranks are prone to overlook entirely a most important phase of the credit situation. Mr. Dunning expresses it in a nutshell:

> "The volume of money work done is the product of the amount of money multiplied by its velocity of circulation. An arbitrary increase in the amount of money by the fiat of a government is likely to defeat its object by a proportionate or more than proportionate decrease in the velocity factor. If the increase in the volume of money continues beyond a certain, but unpredictable, point, public confidence is lost and a flight from money occurs."

And there, expressed briefly and simply, is a summary of the case against inflation. Money is acceptable as such only as long as people have faith in it. Perhaps the easiest way to destroy that faith is indiscriminate increasing of the money in circulation.

The minister of finance did not mean to imply, however, that an increase in credit is never justifiable. He states very definitely that a central bank should at certain times adopt such a policy to promote industry. It is a job for experts, and even then it is a matter of retaining a very close grip on the leash to prevent "easy money" from getting out of hand.

• • •

## *Exchanges Delicate*

THE foreign exchange situation is not unlike the very delicate position just prior to France's devaluation last fall. Uncertainty is the order of the day, taking outward form in a heavy flow of funds to the United States, and in less degree to Brazil and the Argentine. Financier-statesmen are bustling about to such an extent that it is obvious something is in the wind.

The focal point is once more the franc, with reputable observers contending that the French need further devaluation, and that unless she obtains the co-operation of other parties to the currency agreement, she will establish restrictions which will virtually mean its breakdown.

Some contend there is a combined move in Great Britain and France for devaluation of both sterling and the franc in terms of the dollar. The pound is under considerable pressure, and unless some means of stemming the outflow of funds is forthcoming, the only alternative to devaluation appears to be modification of the easy money policy. And there is a widely-held view in Britain that cheap money has been the very essence of recovery; that it would be suicidal to abandon it.

• • •

## *Boomerang Taxes*

BANKERS are inclined to discount reports from Premier Aberhart's domain that drastic license regulations will be imposed on the banks by the government to "coax" them into support of Social Credit.

These weird rumors have it that the administration would like to kill two birds with one stone. The more radical proponents of Social Credit contend that the banks and some of the other large interests have sabotaged the administrative machinery. That is, they have exerted pressure on merchants forcing them to withdraw support from the Social Credit régime. There is no suggestion, of course, that these worthy gentlemen saw the error of their ways and repented of their own accord. Heavy taxation would be sweet revenge for the part the banks are alleged to have played.

At the same time, some misguided individuals hold to the belief that the banks would be ideal media through which to circulate Social Credit money if as and when it emerges from thin air.

Unfortunately for the Social Credit enthusiasts, the banks, instead of tacitly accepting the drastic levies, would simply fold their tents and withdraw from the province. And compared with Alberta's problems in that event, her present condition is Utopia.

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# Trinidad Electric Dispute Is Ended

## Privy Council Settles Amount Under Expropriation Proceedings

From Our Own Correspondent

MONTREAL.—Trinidad Electric Co., Canadian owned, lost out in the appeal by the municipality of Port of Spain to the Judicial Committee of the Privy Council.

The case arose from a dispute concerning the price to be paid by the municipality in appropriating from the Canadian corporation the power and traction facilities in Trinidad.

The judicial committee, in its judgment, directed the Supreme Court of Trinidad and Tobago to find that the Board of Arbitrators appointed to fix a fair price for the company's property in their award of June, 1935, had not misdirected themselves in law, except as regards the sum of $69,369 awarded by them under the heading of Customs Duties. The committee decided that $25,061 be substituted for this figure, thus reducing the total amount involved from $1,559,543 to $1,515,235.

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*McGILL GOVERNOR*

Morris W. Wilson, president of the Royal Bank of Canada, who was named to the board of governors of McGill University recently.

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# C. N. R. Net Deficit Drops

## Decrease of $4.1 Millions Shown in Report for 1936

Despite an increase of 7.7% in operating revenues in 1936 the Canadian National Railways had a smaller amount available for interest charges than in 1935, it was revealed by Hon. C. A. Dunning in his budget speech.

Operating revenues of the company in 1936 increased by $13.4 millions to $186.6 millions. Operating expenses, however, increased by the same ratio and the net revenue after taxes, rentals, etc., available for interest charges, was $6.6 millions as against $6.8 millions in 1935. Increased operating expenses were due, in part, to the costs absorbed by the company under various unemployment relief programmes and increased wage rates.

The operating results of the company stand in sharp contrast to those of the C.P.R. Although the C.P.R. had an increase of only $8.9 millions in operating revenues, it was, nevertheless, able to increase its net income by over $900,000, as compared with the decline reported by the C.N.R.

Net income cash deficit of the C.N.R. for 1936 was $43.3 millions, compared with $47.4 millions in the previous year. The reduction of $4.1 millions in the cash deficit was entirely due to reduction in interest charges arising out of refunding of matured or called bonds at a lower rate of interest.

The Government, this year, will lend the company $9.9 millions for miscellaneous debt retirements and equipment purchases, under the special supplementary estimates. The company paid back $395,000 of the amount loaned it last year.

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## *Bank of Canada Weekly Statement*

Major change in The Bank of Canada's balance sheet in the week ended Feb. 24 was an increase of $4.1 millions in deposits of the chartered banks. Balances of the Dominion Government, on the other hand, declined by $3.6 millions. Largest net changes in assets were in reserve in British and American funds and in security holdings which advanced $3.3 millions and declined $3.4 millions, respectively.

Balance Sheet

| | Feb. 24<br>$ | Feb. 17<br>$ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 10,100,000 | 10,100,000 |
| Notes in circ. | 118,581,723 | 119,555,991 |
| Rest fund | 743,716 | 743,716 |
| Dep.: Dominion | 30,883,110 | 34,460,591 |
| Banks | 197,074,638 | 192,946,716 |
| Other | 1,108,598 | 949,336 |
| Total deposits | 229,066,246 | 228,356,643 |
| All other liabs. | 1,004,575 | 1,320,627 |
| Total liabs. | 360,096,260 | 360,076,977 |
| **Assets** | | |
| Reserve: Gold | 179,423,005 | 179,474,600 |
| Silver bullion | 2,280,780 | 2,251,238 |
| Res. in sterling and U. S. | 17,136,142 | 13,836,319 |
| Total reserve | 198,839,927 | 195,562,157 |
| Subsidiary coin | 174,395 | 210,992 |
| Investments: | | |
| Dom. Govt. short | 55,180,504 | 57,832,843 |
| Other Dom. Govt. | 102,247,175 | 103,015,405 |
| Total invest. | 157,427,679 | 160,848,248 |
| Premises | 360,247 | 360,319 |
| All other assets | 3,294,012 | 3,095,260 |
| Total assets | 360,096,260 | 360,076,977 |
| Reserve ratio | 57.19% | 56.21% |

---

# Fort William Cuts Taxes On Canadian Car Plant

From Our Own Correspondent

MONTREAL.—Fort William voters have passed a by-law authorizing partial exemption of taxation of Canadian Car and Foundry Co.'s plant at that point in consideration of establishment of a factory for the manufacture of airplanes. As a result of the vote, it is expected work will start immediately on reconstruction of the plant for the making of planes.

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---

# *Curb On Speculation Is Heartily Endorsed By Chartered Banks*

## Agree With Finance Minister That Action May Be Necessary to Offset Get-rich-quick Fever

Bankers heartily endorse Finance Minister C. A. Dunning's remarks in his budget address in respect to curbing speculative fever.

For some time, bankers have been keeping a weather eye on the stock market, with a view to averting a repetition of conditions which culminated in the 1929 debacle. The lesson of the stock market crash is one which is being given very close attention, and the banks are taking measures to see that speculation does not get out of hand.

Unprejudiced observers will agree that the banks cannot be held wholly responsible for the market splurge in pre-depression years. On the other hand, most bankers will admit—although some only privately—that they must bear some of the blame in so far as they loaned money too freely for speculative purposes. Lending for this purpose will be on a more conservative basis in the future.

### Control Other Lenders

While bankers are willing to discourage undue speculation by co-operating with stock market officials in raising margin requirements, as was done a few months ago, by increasing the cost of the money loaned, or, if these are ineffective, by flatly refusing to lend, it should be kept in mind that there are other agencies through which funds may be obtained. On previous occasions—1929 was a notable example—the constructive measures of the banks in attempting to stem the tide of speculation, have been in some degree offset by borrowing from other sources. If a curb on wild speculation is to be effective, other lending agencies, both corporate and private, must be willing to co-operate.

The budget itself, of course, has no direct effect on the banks. Taxation remains at the same level; no new taxes have been imposed. Consequently, apart from general interest in its effect on business and finance generally, bankers are giving close consideration to Mr. Dunning's reference to the banks and to monetary policies.

### Easy Money Near Finish?

In addition to the reference mentioned above, the indication that the time may come "more quickly than many of us expect" when the easy money policy of recent years will have to be replaced by the opposite policy, has attracted considerable interest. Apparently, there is divergence of opinion as to just what Mr. Dunning had in mind.

Some bankers have interpreted this statement in a general sense—perhaps as an echo of warnings of inflation which have been issued in the United States. In other words, they consider it a general word of caution against allowing things to get out of hand. The influence of a sharp rise in commodity prices might be a case in point.

Others suggest that Mr. Dunning had something more specific in mind. The Bank of Canada, it is explained, might enter the picture when it appears that too much credit is being extended to any industry or industries, with the suggestion that the interest rates on such loans be increased in order to discourage borrowing. One banker gave the paper industry back in 1929 as an instance where such a step might have been justified.

### Canada's Money Market

Another point raised by the finance minister was that the Government's purpose in issuing treasury bills is not primarily to obtain funds at exceptionally low cost. The main object he stated is to provide an adequate supply of highly liquid "credit instruments" to make possible organization of a more effective short-term money market. In this respect, however, bankers feel Mr. Dunning's remarks should be coupled with those of Graham F. Towers at the annual meeting of the Bank of Canada when he stated:

"I feel it is quite likely that if money conditions ever become less easy than they have been in the last few years, treasury bills may be rather neglected, and that holders may tend to allow their bills to run off through a desire to obtain additional cash. Such a development would call for the refunding of a suitable portion — perhaps a substantial portion—of the bills now outstanding. The market would then be short of assets which can properly be classified as second line reserves. I think it is probable that experience over a period of years, and of a variety of conditions in the money market, will be necessary before we achieve a satisfactory bill market in Canada."

### Control of Credit

In discussing monetary policy Mr. Dunning stated:

"In the early stages of a severe and prolonged depression, credit expansion may be an essential weapon to combat the deflationary forces at work. It must, however, be recognized as a dangerous weapon requiring the use of expert technique as well as great wisdom and caution.

"The control of the volume of money and credit with a view to mitigating the extremes of booms and depressions is one of the primary functions of a central bank. The easy money policy which has been followed in the recent past is, in my opinion, an illustration of appropriate action in a time of depression. There will come a time, however, and it may come more quickly than many of us expect, when precisely the opposite policy will have to be followed, if the best interests of the country are to be served.

"During the recent depression, more deliberate use has been made of monetary devices and remedies than in any previous depression.

### Money No Panacea

"But monetary policy should not be regarded as a panacea. It can, at best, only create conditions favorable to sound development. In a constructive programme it should merely take its place as part of a much larger whole. Fundamentally our need is an increase in our aggregate national income—an increase in material wealth—not a different yardstick by which to measure it. Real purchasing power consists in goods and services produced, not in the number of monetary tickets which are used to facilitate the exchange of these goods and services."

And in regard to stock speculation and the banks, Mr. Dunning spoke as follows:

"It may seem ironical for me to sound a warning about a problem of prosperity while we are still harassed by the problems of depression. Evidence is accumulating, however, of the prevalence of a state of mind which justifies a warning signal. If we may judge by the activity in brokerage offices, the rapid rise in stock market prices and the ratio of stock prices, particularly in some sections of the market, to nearby earnings and dividend prospects, we are forced to recognize a revival of that get-rich-quick spirit which proved so disastrous in the pre-depression years.

### Curb Speculation Fever

"As business activity increases and especially if the commodity price level shows a rapid rise, this speculative fever is likely to become more widespread and more hectic, creating false standards of value and an unbalanced development with their inevitable aftermath. It is not too early, therefore, to call attention to those potential dangers and to express the hope that adequate measures may be taken with sufficient promptness to keep unsound developments in check.

"The Bank of Canada has the power to control the total volume of credit in circulation, but if the amount of credit flowing into the special channel of speculation is to be regulated there will be needed the effective co-operation of the stock exchanges and the banking institutions which will be called upon increasingly to finance speculative activity. We are, I hope, too close to 1929 to forget the necessity of ordered progress and well-balanced development."

---

## Weekly Bank Clearings

| | Feb. 25<br>1937<br>$ | Change<br>yr. ago<br>% | Feb. 18<br>1937<br>$ |
|---|---|---|---|
| Halifax | 2,024,127 | + 9.4 | 2,286,175 |
| Saint John | 1,552,968 | + 8.9 | 1,605,281 |
| Moncton | 618,621 | — 7.5 | 655,905 |
| Sherbrooke | 589,984 | +56.8 | 596,054 |
| Quebec | 4,167,924 | +53,0 | 5,154,612 |
| Montreal | 111,830,589 | +26.7 | 120,026,630 |
| Ottawa | 14,038,507 | + 6.5 | 13,795,892 |
| Toronto | 126,439,074 | +13.9 | 131,735,567 |
| Hamilton | 4,602,583 | +20.0 | 4,532,558 |
| Kitchener | 939,840 | + 3.6 | 1,013,855 |
| Brantford | 859,870 | +11.8 | 905,171 |
| London | 2,337,162 | + 0.5 | 2,707,260 |
| Chatham | 511,218 | +18.7 | 555,202 |
| Sarnia | 443,702 | +22.1 | 419,050 |
| Sudbury | 940,202 | +13.3 | 909,232 |
| Fort William | 635,386 | +58.0 | 763,570 |
| Winnipeg | 28,164,858 | —12.3 | 27,869,133 |
| Brandon | 218,721 | +27.6 | 258,808 |
| Regina | 2,734,784 | +37.3 | 2,793,891 |
| Moose Jaw | 442,939 | +14.8 | 554,342 |
| Saskatoon | 1,128,664 | — 6.4 | 1,292,668 |
| Prince Albert | 270,880 | +14.0 | 285,596 |
| Edmonton | 3,514,253 | +16.3 | 3,735,274 |
| Calgary | 6,113,844 | +31.9 | 7,362,430 |
| Medicine Hat | 170,442 | +18.5 | 165,919 |
| Lethbridge | 360,225 | — 3.2 | 332,560 |
| N. W'minster | 497,622 | + 7.4 | 498,304 |
| Vancouver | 20,901,617 | +11.7 | 21,518,833 |
| Victoria | 1,587,231 | +22.3 | 1,707,686 |

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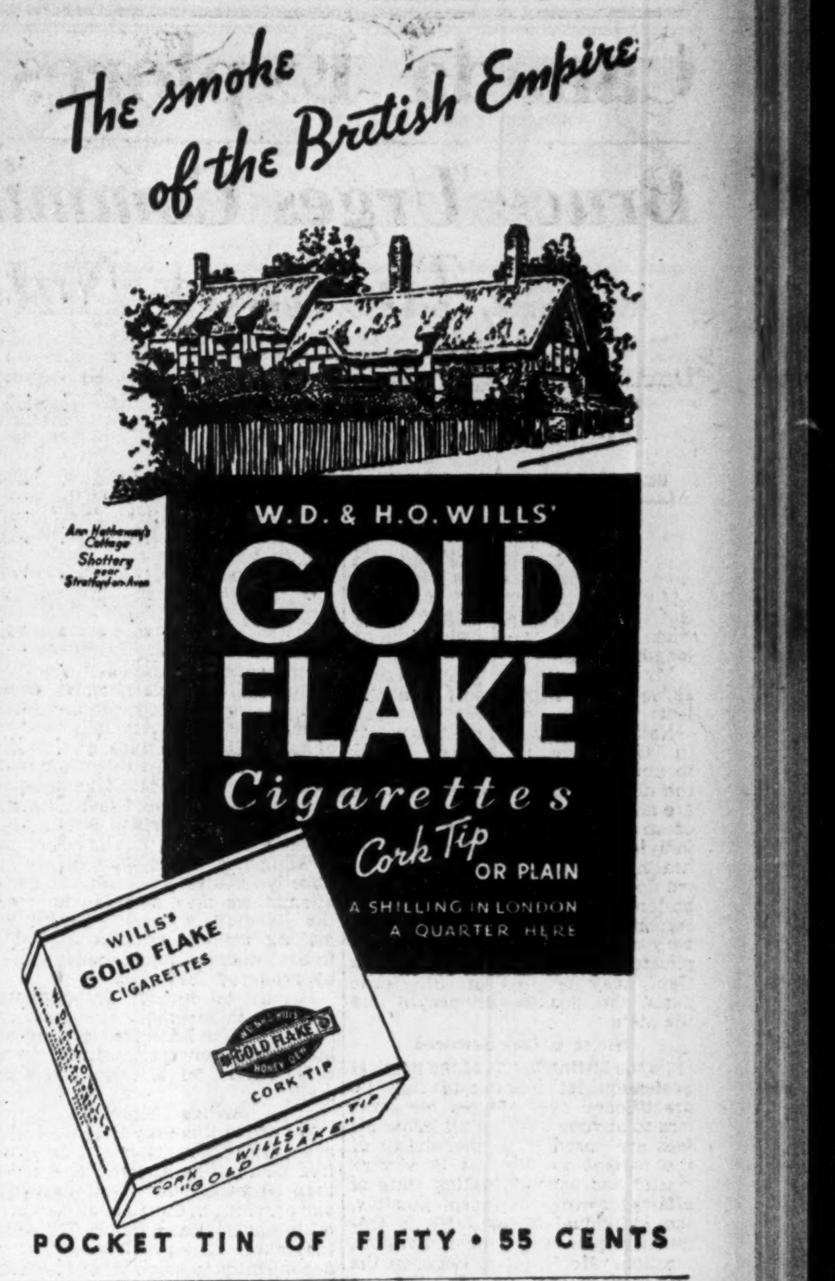
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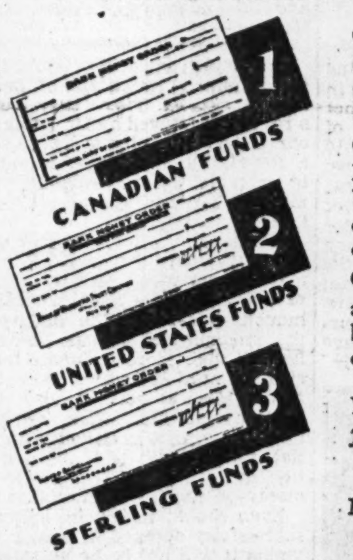

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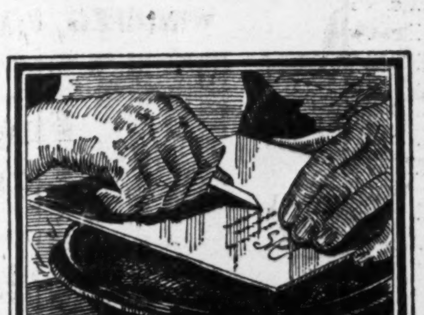

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# STOCK AND BOND MARKET QUOTATIONS

## Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 1

| Range 1937 High | Low | Div R'te $ | Feb27 Y'ld % | | Sales | Last Feb. 22 | Week end. Mar. 1 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 10¼ | 6¼ | • | ... | Abitibi | 23479 | 8¾ | 8⅞ | 8 | 8¼ |
| 57 | 41¼ | • | ... | Do. pref. 6% | 2537 | 47¼ | 47 | 43¼ | 44 |
| 85 | 70 | • | ... | Do. pref. 7% | .... | (— bid 86 asked) | | | |
| 56 | 41 | • | ... | Do. cert. dep. | 10 | 47 | 44 | 44 | 44 |
| 6⅞ | 5 | 10c | ... | Acadia Sugar | 540 | 6¼ | 6¼ | 6¼ | 6¼ |
| 18¼ | 15 | 50c | 3.3 | Acme Glove | .... | (10 bid 14 asked) | | | |
| 94 | 90 | 6.50 | 7.2 | Do. pref. | .... | (— bid 90 asked) | | | |
| 12 | 8¼ | 40c | 4 | Agnew Surp. | 150 | 9¼ | 10 | 9¼ | 9¼ |
| 110 | 107 | 7 | 6.5 | Do. pref. | .... | (107 bid 110 asked) | | | |
| 7 | 4¼ | • | ... | Alta. Pac. Gr. | 265 | 5 | 5¼ | 5 | 5 |
| 43¼ | 28 | • | ... | Do. pref. | 135 | 31 | 31 | 30¼ | 30¼ |
| 116 | 116 | • | ... | Aluminum | .... | (116 Jan. 7) | | | |
| 6¼ | 5 | • | ... | Amal. Electric | 35 | 6¼ | 6 | 6 | 6 |
| 31 | 29 | • | ... | Do. pref. | .... | (26 bid — asked) | | | |
| 35¾ | 33¼ | 60+40c | .. | Amer. Cyn. B. | .... | (— bid 40 asked) | | | |
| 54¼ | 53 | 3.50 | 6.4 | Ang. C. Tel., p. | 5 | 54¼ | 54¼ | 54¼ | 54¼ |
| 112 | 93 | • | ... | Asbestos | 2057 | 102 | 104¼ | 98¼ | 103 |
| 14¼ | 11 | 60+25c | .. | Assoc. Brew. | 599 | 14 | 14¼ | 13¾ | 14¼ |
| 110¼ | 107¾ | 7 | 6.4 | Do. pref. | 10 | 107¾ | 110 | 110 | 110 |
| †8¼ | 7¼ | • | ... | Assoc. T. & T.A. | .... | (— bid 8¾ asked) | | | |
| 54 | 54 | 42c | ... | Do. pref. | 10 | 54 | 55 | 55 | 55 |
| 102¼ | 102 | • | ... | Ault & Wiborg p | 25 | 102 | 102 | 102 | 102 |
| | | | | **B** | | | | | |
| 60 | 57 | 2.25 | 3.8 | Bank of Canada | 199 | 58¼ | 59 | 57¼ | 58 |
| 155¼ | 143 | 8 | 5.2 | Bk. Can. Nat. | 19 | 154 | 155 | 154 | 155 |
| 245 | 219 | 8 | 3.4 | Bk. Montreal | 242 | 240 | 239 | 232¼ | 237 |
| 340 | 312 | 12 | 3.6 | Bk. N. Scotia | 64 | 320 | 330 | 325 | 330 |
| 270 | 260 | 10 | 3.7 | Bk. Toronto | 75 | 266 | 270 | 270 | 270 |
| 8 | 8 | 75c | ... | Barcelona | 10 | .. | 8 | 8 | 8 |
| 20¼ | 17¼ | • | ... | Bathurst Pr. | 3825 | 17¾ | 18 | 17¼ | 17¼ |
| 8¼ | 6¾ | • | ... | Do. (B) | 707 | 7¼ | 7¾ | 6¾ | 7 |
| 5¾ | 3 | • | ... | Bawlf Grain | 285 | 3¼ | 3¼ | 3 | 3 |
| 38 | 26¼ | • | ... | Do. pref. | 10 | 31¼ | 31¼ | 31¼ | 31¼ |
| 10 | 4¾ | • | ... | Beath & Sons | 459 | 7¼ | 7¼ | 7¼ | 7¼ |
| 21¼ | 17¼ | • | ... | Beatty Bros. A | 110 | 19 | 19 | 18¼ | 19 |
| 107 | 100 | 6 | 5.6 | Do. pref. | .... | (106 bid 107 asked) | | | |
| 10 | 6¼ | • | ... | Beauharnois | 2411 | 7¼ | 8 | 7 | 7¾ |
| 107 | 107 | 4 | 3.7 | Belding Cort. | .... | (107 Feb. 4) | | | |
| 130 | 126 | 7 | 5.4 | Do. pref. | .... | (130 Jan. 31) | | | |
| 178 | 159 | 6 | 3.7 | Bell Telephone | 1456 | 163½ | 164 | 160¼ | 163½ |
| 16¾ | 13¼ | • | ... | Biltmore Hats | 1045 | 16¼ | 16¼ | 15¼ | 16 |
| 110 | 110 | 7 | 6.4 | Do. pref. | .... | (110 bid — asked) | | | |
| 8¾ | 8¼ | • | ... | Bissell, T. E. | .... | (9¼ bid — asked) | | | |
| 55 | 45 | • | ... | Do. pref. | 10 | 50 | 55 | 55 | 55 |
| 6¾ | 4 | • | ... | Blue Ribbon | 95 | 4¼ | 4¼ | 4 | 4 |
| 40 | 35 | 2 | 5.3 | Do. pref. | 78 | 37¼ | 39¾ | 39¾ | 39¾ |
| 29¾ | 25¾ | 32½c | .. | Brant. Cord. pf. | 2525 | 26¼ | 29¾ | 26¼ | 29 |
| 30¼ | 18¼ | 40c | ... | Brazilian Tr. | 80782 | 28¾ | 30¼ | 27¾ | 30¼ |
| 9 | 6 | 1♦ | ... | Brew. & Distil. | 316 | 7¼ | 8¼ | 6 | 7¾ |
| 4 | 2¾ | • | ... | Brewing Corp. | 6496 | 3 | 3¾ | 3 | 3¾ |
| 20¾ | 14¼ | 1.50 | 8.2 | Do. pref. | 680 | 18 | 18¼ | 17 | 18¼ |
| 6 | 6 | 30c | 5 | Bright, T. G. | .... | (6 Feb. 3) | | | |
| †82 | 75¼ | 6 | ... | Do. pref. | .... | (75¼ bid — asked) | | | |
| 26¼ | 22¼ | 80c | 3.1 | Brit. Amer. Oil | 15498 | 25¾ | 26¼ | 24¾ | 26 |
| 19 | 16 | • | ... | B. C. Packers | 502 | 19 | 19 | 18 | 18¼ |
| 39¼ | 37 | 1.60 | 4.1 | B. C. Power A. | 1128 | 38¼ | 38¾ | 37 | 38¾ |
| 11¼ | 10 | • | ... | Do. (B) | 437 | 11 | 11 | 11 | 11 |
| 12 | 7¾ | 40c | 4.4 | Bruck S. Mills. | 350 | 9¼ | 9¼ | 9 | 9 |
| 67¾ | 56¼ | 1.40+50c | . | Building Prod. | 445 | 67 | 67¾ | 66 | 66 |
| 8 | 6¼ | • | ... | Burry Biscuit | 100 | 6¾ | 6¼ | 6¼ | 6¼ |
| 60 | 60 | 3 | 5 | Do. pref. | 25 | 65¼ | 60 | 60 | 60 |
| 44¼ | 41¼ | 2 | 4.8 | Burt, F. N. | 282 | 42¼ | 43¼ | 42 | 42 |
| | | | | **C** | | | | | |
| 105 | 105 | • | ... | Calgary Power | 50 | 120 | 105 | 105 | 105 |
| 91¼ | 79 | 6 | 6.5 | Do. pref. | 40 | 87 | 91¼ | 90 | 90 |
| 10¼ | 8 | • | ... | Canada Bread | 560 | 8¼ | 8¼ | 8 | 8¼ |
| 103 | 102½ | 5 | 4.8 | Do. pref. | 10 | 103 | 103 | 103 | 103 |
| 59¼ | 51¼ | 62½c | .. | Do. pref. B | 5 | 58 | 59 | 59 | 59 |
| 10¼ | 8¼ | 40c | ... | Canada Bud | 430 | 9 | 9¼ | 8¾ | 9 |
| 19 | 15¼ | • | ... | Canada Cement | 4661 | 19 | 19 | 18 | 18 |
| 111 | 103 | 1 | ... | Do. pref. | 515 | 109½ | 111 | 108 | 108½ |
| 73¼ | 67 | 1.50+2 | .. | C. & D. Sugar | 25 | 72 | 73¼ | 73¼ | 73¼ |
| b32¾ | 27¼ | • | ... | Canada Dry | 10600 | 29 | 29 | 28 | 28¾ |
| 20¾ | 17 | • | ... | Can. Forg. (A) | 50 | 19 | 17 | 17 | 17 |
| 17 | 14 | • | ... | Do. (B) | .... | (14 bid 15 asked) | | | |
| 30 | 30 | • | ... | Can. Iron | .... | (31 bid — asked) | | | |
| 66¼ | 66¼ | 3 | 4.5 | Do. pref. | .... | (70 bid — asked) | | | |
| 38 | 34 | 1.50+50 | .. | Can. Malting | 777 | 37 | 38 | 36¼ | 37¾ |
| 29¼ | 26¼ | 1.20 | 4.4 | Can. Nor. Pr. | 890 | 27 | 27¾ | 27 | 27 |
| 112 | 109 | 7 | 6.2 | Do. pref. | 58 | 112 | 112 | 110 | 112 |
| 98 | 86 | 3 | 3.1 | Can. Packers | 495 | 96 | 98 | 94 | 96 |
| †118 | 105 | • | ... | Can. Paper, pf. | .... | (112½ bid — asked) | | | |
| 7 | 1¾ | • | ... | Can. Paving, pf. | .... | (1¾ bid 6 asked) | | | |
| 156 | 146 | 8 | 5.3 | Can. Perman. | 74 | 152 | 156 | 153 | 155 |
| 25 | 25 | • | ... | Can. Starch | .... | (26 bid — asked) | | | |
| †95 | 95 | 7 | ... | Do. pref. | .... | (105 bid — asked) | | | |
| 4 | 2¼ | • | ... | Can. Steamsh's | 160 | 3¼ | 3¼ | 3¼ | 3¼ |
| 6¼ | 5¼ | • | ... | Do., new | 5 | 6¼ | 5¼ | 5¼ | 5¼ |
| 10 | 6¾ | • | ... | Do. pref. | 765 | 7¼ | 7¼ | 7 | 7¼ |
| 21 | 19 | 1.20 | 6 | Can. Vinegars | 171 | 20 | 21 | 20 | 20 |
| 70 | 56 | • | ... | Can. W. Cable | 65 | 64¼ | 70 | 68 | 70 |
| 30 | 19 | • | ... | Do. (B) | 170 | 28 | 29 | 28 | 28 |
| 115 | 114 | 1.75▲ | ... | Do. pref. | .... | (114 Feb. 15) | | | |
| 6 | 5 | • | ... | Can. Bakeries | 5 | 6 | 5 | 5 | 5 |
| 73 | 67 | • | ... | Do. pref. | 75 | 69 | 71 | 70½ | 70½ |
| 211 | 183 | 8 | 4 | Can. Bk. Com. | 306 | 201 | 203 | 197 | 197½ |
| 61¼ | 58 | 1+75c | .. | Can. Bronze | 200 | 60 | 60 | 58¼ | 59¾ |
| 109 | 105¼ | 5 | 4.6 | Do. pref. | .... | (109 bid — asked) | | | |
| 9¼ | 8 | • | ... | Can. Canners | 560 | 8¼ | 9¼ | 8¼ | 9 |
| 20¼ | 18¾ | • | ... | Do. 1st pfd. | 1015 | 19¼ | 19¼ | 19 | 19¼ |
| 12¼ | 10¼ | • | ... | Do. 2nd pfd. | 905 | 11 | 11¾ | 11 | 11 |
| 21¾ | 17¼ | • | ... | Can. Car & Fd'y | 6156 | 18¾ | 19¼ | 17¼ | 18 |
| 32 | 28 | • | ... | Do. pref. | 1875 | 28¼ | 29 | 28 | 28¼ |
| 27¾ | 24¾ | 40c | ... | Can. Celanese | 896 | 26¼ | 26¾ | 26 | 26¼ |
| 125 | 121 | 7 | 5.6 | Do. pref. | 243 | 122 | 124 | 121¾ | 122 |
| 21¼ | 21 | • | ... | Do. Rights | 52 | 21 | 21¼ | 21 | 21¼ |
| 32 | 29 | 2 | 6.9 | Can. Convert. | 10 | 29 | 29 | 29 | 29 |
| 77 | 65¼ | 4 | 5.3 | Can. Cottons | 150 | 77 | 75 | 75 | 75 |
| 108 | 105 | 6 | 5.7 | Do. pref. | 30 | 105 | 105¼ | 105¼ | 105¼ |
| 46¼ | 43 | 2+1 | 6.7 | Can. Dredge | 545 | 44¼ | 45 | 44 | 44 |
| 101 | 101 | 6 | 5.9 | Can. Fairb. pf. | .... | (101 bid — asked) | | | |
| 33 | 26 | 1.60 | 5 | Can. For. Inv. | 3140 | 31 | 33 | 31 | 32 |
| 107 | 107 | 8 | 7.5 | Do. pref. | .... | (107 bid — asked) | | | |
| 240 | 240 | 5 | 2.1 | Can. Gen. Elec. | 10 | .. | 240 | 240 | 240 |
| 11¼ | 9¾ | 50c | ... | Can. G. Inv. | 40 | 11 | 11 | 11 | 11 |
| 81¼ | 72¾ | • | ... | Can. Hyd. E. p. | 406 | 79¼ | 79 | 77 | 77 |
| 8¼ | 6 | • | ... | Can. Ind. Alc. | 10720 | 7¾ | 7¾ | 6¼ | 6¾ |
| 7¾ | 5 | • | ... | Do. (B) | 1410 | 6¼ | 6¾ | 6 | 6¼ |
| 247 | 240 | 3.50 | ... | Can. Indust. B. | 141 | 243 | 247 | 245½ | 246½ |
| 5 | 3¼ | • | ... | Can. Int. I. Tr. | .... | (4 asked 4¾ bid) | | | |
| 94 | 93 | 2.50 | ... | Do. pref. | 25 | 93¼ | 94 | 94 | 94 |
| 21 | 19 | 1 | 5 | Can. Lt. & Pr. | 20 | 21 | 21 | 20 | 20 |
| 23¼ | 17 | • | ... | Can. Locomo. | 425 | 19 | 20 | 19 | 19 |
| 3¾ | 1¾ | • | ... | Can. Marconi | 7925 | 2¼ | 2¾ | 2 | 2¼ |
| 19 | 14 | 50c | 2.9 | Can. Oil | 45 | 16 | 17 | 16 | 17 |
| 135 | 126 | 8 | 6.2 | Do. pref. | .... | (130 bid 132 asked) | | | |
| 17¾ | 14¼ | • | ... | Can. Pacific | 13299 | 17¼ | 17¾ | 16¼ | 16¾ |
| 7¾ | 3¼ | • | ... | C. Pr. & Pa. In. | 57 | 4¼ | 4 | 3¼ | 4 |
| 27¼ | 18 | • | ... | Do. pref. | 185 | 23 | 23 | 22¼ | 22¼ |
| 16 | 12¾ | • | ... | Can. Vickers | 330 | 13¼ | 13¼ | 13 | 13 |
| 65 | 53 | • | ... | Do. pref. | 45 | 54 | 54 | 53 | 53 |
| 25 | 25 | 1.25 | ... | C. Wallpaper A | 100 | 25 | 25 | 25 | 25 |
| 27¼ | 25 | 1.25 | ... | Do. (B) | 50 | 25¼ | 25¼ | 25¼ | 25¼ |
| †80¼ | 64 | 2 | ... | Can. West'ho'se | .... | (65 Dec. 6, '36) | | | |
| 4 | 2¼ | • | ... | Can. Wineries | 80 | 2¾ | 3¾ | 2¾ | 3¼ |
| 25 | 23 | 1.50 | ... | Can. Wire Box | 330 | 23¾ | 23¾ | 23¼ | 23¾ |
| 9¼ | 7¼ | • | ... | Capital Estates | 539 | 8 | 8¼ | 7¾ | 7¾ |
| 107 | 103¾ | 5 | 4.8 | Carnation, pfd. | 165 | 104¼ | 104¼ | 104 | 104 |
| 11¼ | 6¾ | 25c | ... | Catelli Food | 350 | 10¼ | 11 | 10 | 10 |
| 11¼ | 10 | 75c | ... | Do. pref. | 350 | 10¼ | 10¼ | 10 | 10 |
| †165 | 150 | 8 | ... | Cent. Can. L'n. | .... | 160¼ bid 190 asked | | | |
| 1.44 | 1.00 | • | ... | Chem. Research | 12555 | 1.10 | 1.30 | 1.17 | 1.21 |
| 1.80 | 1.25 | • | ... | City Gas & El. | 205 | 1.50 | 1.50 | 1.50 | 1.50 |
| .80 | .40 | • | ... | Claude Neon | 200 | .65 | .60 | .60 | .60 |
| 13¼ | 12¼ | 1.08 | ... | Coast Brew. | 295 | 13¼ | 13¼ | 13¼ | 13¼ |
| 17 | 14¼ | • | ... | Cockshutt Plow | 3840 | 15¼ | 16¼ | 15¼ | 17 |
| 4 | 2¼ | • | ... | Comm. Alcohol. | 1695 | 3¼ | 3¼ | 2¾ | 3 |
| 23 | 20¼ | 45+20c | .. | Cons. Bakeries | 1295 | 21¾ | 23 | 22 | 22¾ |
| 18¼ | 10¾ | • | ... | Cons. Paper | 16236 | 16 | 17 | 15¼ | 16¾ |
| 19 | 12¼ | • | ... | Cons. Press. | 50 | 18 | 19 | 19 | 19 |
| 60 | 47 | • | ... | Cons. Sand, pf. | .... | (— bid 65 asked) | | | |
| 87¼ | 74¼ | 50c+$1 | .. | Cons. Smelters | 14207 | 87 | 86¼ | 82 | 85¼ |
| 208 | 201 | 10 | 4.8 | Consumers' Gas | 274 | 205 | 208 | 205 | 205 |
| 94 | 89 | 7 | 7.5 | Corr. P. Box, pf | 10 | 93 | 94 | 94 | 94 |
| 27¼ | 24 | 80c | 3.3 | Cosmos Imp. | 90 | 26 | 25 | 24 | 24¼ |
| 105¼ | 104¼ | 5 | 4.8 | Do. pref. | 50 | 105 | 105 | 105 | 105 |
| 22 | 18 | 80c | 3.8 | Crown Cork | 130 | 26 | 21¾ | 21 | 21¾ |
| 2¼ | 1¼ | • | ... | Crown Dom. Oil | .... | (2 bid 2¼ asked) | | | |
| 50 | 43 | 7 | ... | Crow's N. Coal | 20 | 46 | 47 | 47 | 47 |
| | | | | **D** | | | | | |
| 5¾ | 4 | • | ... | David & Fre. A | 130 | 5¼ | 5 | 5 | 5 |
| †1¼ | 1 | • | ... | Do. (B) | .... | (— bid 1 asked) | | | |
| 22½ | 15 | • | ... | De Havilland | 1001 | 21¼ | 22½ | 21 | 21 |
| 82 | 67 | • | ... | Do. pref. | 10 | 80 | 75 | 75 | 75 |
| 5 | 5 | • | ... | Disher Steel | .... | (— bid 8 asked) | | | |
| 17¼ | 15¼ | • | ... | Do. pref. | 365 | 17 | 17¼ | 16 | 17¼ |
| 28¾ | 24¾ | • | ... | Distill-Seagram | 4040 | 25¼ | 26¾ | 25 | 26¼ |
| 94¼ | 92½ | 1.25 | ... | Do. pref. | .... | (90 bid 92½ asked) | | | |
| .. | .. | • | ... | Dom. Ang. Inv. | .... | (90 bid — asked) | | | |
| .. | .. | 5+1.25 | .. | Do. pref. | .... | (91 bid — asked) | | | |
| | 234 | 10 | 4.2 | Dom. Bank | 22 | 242 | 240 | 235 | 238 |
| | 54 | 1.20 | 2.1 | Dom. Bridge | 2495 | 55 | 56¼ | 54¼ | 55 |
| | 19¾ | 1.50 | 7.2 | Dom. Coal, pf. | 1451 | 21 | 21 | 20¼ | 20¾ |
| | 62 | • | ... | Dom. Engineer. | 225 | 65 | 65 | 65 | 65 |
| | 90 | • | ... | Dom. Foundries | .... | (— bid 121 asked) | | | |
| | 110 | 5 | 4.2 | Dom. Glass | 132 | 116 | 117¼ | 117 | 117¼ |
| | 150 | 7 | 4.6 | Do. pref. | .... | (140 bid 150 asked) | | | |
| | 41 | • | ... | Dom. Oilcloth | .... | (41¾ Feb. 12) | | | |
| | 95 | 7 | 6.8 | Dom. Rubber, p | .... | (101 bid — asked) | | | |
| | 12¼ | • | ... | Dom. St. & C.B. | 45743 | 20 | 21 | 18¼ | 19¾ |
| | 10 | • | ... | Dom. Stores | 3875 | 11 | 11 | 10¼ | 10¾ |
| | 15¼ | • | ... | Dom. Tar & Ch. | 1310 | 16¼ | 16¾ | 14¼ | 16¼ |
| | 109 | • | ... | Do. pref. | 270 | 115 | 114 | 110 | 112½ |
| | 73 | 5 | 6.2 | Dom. Textile | 1387 | 79¾ | 80 | 77¼ | 79 |
| | 145 | 7 | 4.7 | Do. pref. | 4 | 147 | 148 | 148 | 148 |
| | 13¾ | • | ... | Donnacona P.A. | 2034 | 14¾ | 15 | 13¾ | 14¾ |
| | 13¼ | • | ... | Do. (B) | 255 | 15 | 15¼ | 14 | 15 |
| | 13¾ | • | ... | Dryden Paper | 410 | 14¼ | 14 | 14 | 14 |
| | | | | **E** | | | | | |
| | 2 | • | ... | East. Koot. Pr. | .... | (— bid 7 asked) | | | |
| | 14 | • | ... | Do. pref. | .... | (10 bid 25 asked) | | | |
| | 2¾ | • | ... | East. Dairies | 79 | 3¼ | 4 | 3 | 4 |
| | 17¼ | • | ... | Do. pref. | 185 | 21 | 23 | 21 | 23 |
| | 19 | 1 | ... | East. Steel | 80 | 20 | 19¼ | 19¼ | 19¼ |
| | 106 | 7 | 6.6 | Do. pref. | .... | (106 bid 109 asked) | | | |
| | 72¾ | 7 | ... | East. Theat., pf. | .... | (— bid 80 asked) | | | |
| | 4¾ | • | ... | Easy Washing | 195 | 8 | 8 | 7¾ | 7¾ |
| | 34 | 1 | ... | Economic Inv. | 50 | 36 | 39 | 39 | 39 |
| | 21 | 1.60+10c | . | Electrolux | 1720 | 22 | 22 | 21 | 21 |
| | 5¼ | • | ... | Enam. & Heat. | 735 | 7¼ | 7¼ | 7¼ | 7¼ |
| | 30 | • | ... | English Electric | 220 | 35 | 35¼ | 34 | 35¼ |
| | 14 | • | ... | Do. (B) | 614 | 15 | 15 | 14 | 14 |
| | 5¼ | • | ... | Equitable Life | 30 | 6¼ | 6¼ | 6 | 6 |
| | 9¼ | 60c | ... | European El. A. | .... | (— bid 10 asked) | | | |
| | .65 | • | ... | Do. Warrants | .... | (.50 bid — asked) | | | |
| | | | | **F** | | | | | |
| | 9 | • | ... | Fairchild Air. | 2515 | 11 | 11 | 9¾ | 10¼ |
| | 24 | 60c | ... | Fam. Players | 5 | 30 | 30 | 30 | 30 |
| | 30 | 60c | ... | Do. Vot. Tr. | 6 | 34 | 30 | 30 | 30 |
| | 22 | 50+37½c | . | Fanny Farmer | 2080 | 24 | 24 | 23¼ | 23¾ |
| | 22¼ | 1 | 3.6 | Ford Motors A. | 5238 | 27¼ | 27¾ | 27 | 27¼ |
| | 1¼ | • | ... | For. Pr. Secs. | .... | (1¼ bid 1½ asked) | | | |
| | 24¼ | • | ... | Foundation Co. | 825 | 25¼ | 26 | 24¼ | 24¼ |
| | 29 | • | ... | Fraser Cos. | 475 | 31 | 32¼ | 30 | 32 |
| | 29¼ | • | ... | Do. Vot. Tr. | 5676 | 31 | 33 | 29¼ | 32¼ |
| 52 | 45 | • | ... | Freiman, pf. | 20 | 48 | 48 | 48 | 48 |
| 11 | 6¼ | • | ... | Frost Steel | 30 | 7 | 7 | 6¼ | 7 |
| 104 | 100¼ | 5.25 | ... | Do. pref. | .... | (105¼ bid — asked) | | | |
| | | | | **G** | | | | | |
| 17¼ | 8 | • | ... | Gen. St. Wares. | 2390 | 15¼ | 16 | 14¾ | 15¾ |
| 100 | 76 | • | ... | Do. pref. | 788 | 95 | 98 | 95 | 98 |
| 92¼ | 86 | 2.50+2.50 | | Goodyear Tire | 325 | 92¼ | 92¼ | 92 | 92 |
| 57 | 55 | 2.50 | 4.5 | Do. pref. | 186 | 56 | 56¼ | 55 | 55 |
| 16¾ | 15¼ | • | ... | Gt. Lakes Pap. | 426 | 16¼ | 16 | 15¼ | 15¼ |
| 38¼ | 34¼ | • | ... | Do. pref. | 840 | 38 | 38 | 34¼ | 35 |
| 3¼ | 2¼ | • | ... | Gt. W. Saddlery | 120 | 2¾ | 3 | 3 | 3 |
| 59 | 29¼ | • | ... | Do. pref. | .... | (35 bid 38 asked) | | | |
| 15¼ | 7¼ | 20c | ... | Gurd, Chas. | 851 | 14 | 14 | 13¼ | 13¾ |
| 100 | 95 | 7 | 7 | Do. pref. | .... | (95 bid — asked) | | | |
| 17¼ | 14 | • | ... | Gypsum, Lime | 5850 | 16 | 16¾ | 15 | 16 |
| | | | | **H** | | | | | |
| 17 | 12¾ | • | ... | Ham. Bridge | 735 | 15 | 15¼ | 14¼ | 15¼ |
| 85 | 63 | • | ... | Do. pref. | 10 | 75 | 77 | 77 | 77 |
| 36 | 30 | 2+50c | 5.6 | Ham. Cot., pf. | .... | (36¼ bid 38¼ asked) | | | |
| 3¾ | 2¾ | • | ... | Ham. U. Theat. | 20 | 3 | 3 | 3 | 3 |
| 69 | 60 | 5 | 7.5 | Do. pref. | 55 | 66¼ | 65 | 60 | 60 |
| 7 | 5¾ | 5c | ... | Harding Carpet. | 1265 | 6 | 6¼ | 6 | 6¼ |
| †9 | 1¼ | • | ... | Hillcrest Coll. | .... | (— bid 10 asked) | | | |
| 20 | 15 | • | ... | Do. pref. | 32 | 18 | 20 | 19 | 20 |
| 22¼ | 20 | 1 | 4.5 | Hinde & Dauch. | 1870 | 21 | 22 | 20¼ | 22 |
| 18 | 14 | • | ... | Holt Renfrew | 5 | 14 | 18 | 18 | 18 |
| 61¼ | 56 | • | ... | Do. pref. | 35 | 57 | 61¼ | 60 | 60 |
| 1.75 | .60 | • | ... | Honey Dew | 526 | 1.00 | 1.10 | 1.00 | 1.10 |
| 14 | 12 | • | ... | Do. pref. | 28 | 14 | 14 | 14 | 14 |
| 23¼ | 18¼ | • | ... | H. Smith Pap. | 4245 | 20¼ | 23 | 20¾ | 22¼ |
| 102 | 100 | 3 | ... | Do. pref. | 110 | 101 | 102 | 101 | 102 |
| 32¾ | 32 | 2 | 6.2 | Humberstone S. | 20 | 32 | 32 | 32 | 32 |
| 15 | 11¾ | • | ... | Hunts (A) | .... | (10¼ bid 15 asked) | | | |
| 16 | 14 | • | ... | Do. (B) | .... | (11 bid — asked) | | | |
| 90 | 72 | 5 | 5.6 | Huron & E. Mt. | 78 | 88 | 90 | 80 | 90 |
| 14¾ | 11 | • | ... | Do. 20% pd. | .... | (13¾ bid 15 asked) | | | |
| 13¼ | 8¾ | • | ... | Hydro Electric | .... | (11¾ bid 12¼ asked) | | | |
| | | | | **I** | | | | | |
| 251¼ | 234 | 10 | 4 | Imperial Bank | 22 | 249 | 249 | 245 | 245 |
| 23¾ | 21 | 50+75c | 5.4 | Imperial Oil | 132343 | 22¾ | 23¾ | 22 | 23¼ |
| 14¾ | 13¾ | 40+22½c | | Imperial Tob. | 10159 | 14¼ | 14¾ | 14¼ | 14¼ |
| 7¾ | 7 | 6% | ... | Do. pref. | 200 | 7 | 7 | 7 | 7 |
| 38¾ | 34 | • | ... | Indust. Accept. | 550 | 35 | 35¾ | 35 | 35¼ |
| 39¼ | 38 | 2 | ... | Inter-City Bak. | 75 | 38 | 38 | 38 | 38 |
| †49 | 40 | 4+2 | ... | Inter'c Coal | .... | (— bid 44 asked) | | | |
| †130 | 115 | 8 | ... | Do. pref. | .... | (120 bid — asked) | | | |
| †.20 | .20 | 1c | ... | Int. Coal & C. | .... | (.20 bid — asked) | | | |
| 16¾ | 8¾ | • | ... | Int. Hyd. E. A. | 16800 | 14¾ | 15¼ | 13¾ | 15¼ |
| 18¼ | 15¾ | • | ... | Int. Metal Ind. | 556 | 16¼ | 16¼ | 15¾ | 16¼ |
| 100 | 90¼ | • | ... | Do. pref. | 85 | 98 | 98 | 96 | 98 |
| 105 | 100 | 5 | 5 | Int. Mill., pf. | 23 | 100 | 101 | 99¼ | 100 |
| 73¼ | 62¼ | 2 | 2.8 | Int. Nickel | 52083 | 73¼ | 72 | 69¼ | 70¼ |
| 11 | 6¼ | • | ... | Int. Paints | 115 | 10 | 10 | 9¼ | 9¼ |
| 20 | 19 | 75+25c | .. | Do. pref. | 95 | 19 | 20 | 19 | 20 |
| b21¾ | 16¼ | • | ... | Int. Pa. & P.A. | 10000 | 17¼ | 19¾ | 16¼ | 19 |
| b14¼ | 10¾ | • | ... | Do. (B) | 7500 | 11¾ | 13 | 10¾ | 12¾ |
| b7¼ | 5¾ | • | ... | Do. (C) | 33300 | 6 | 7 | 6 | 6¾ |
| b108¾ | 90¼ | • | ... | Do. pref. | 28600 | 98 | 105¾ | 96 | 105¼ |
| 38¾ | 33¾ | 1.50+1 | 6.5 | Int. Pete. | 39579 | 38¼ | 38¾ | 36 | 38¼ |
| 12¼ | 5 | • | ... | Int. Power | 185 | 9¾ | 9¾ | 9¼ | 9¼ |
| 98 | 90 | 6 | 6.4 | Do. pref. | 70 | 93¼ | 93¼ | 93 | 93 |
| †15¼ | 13 | 1.12 | ... | Int. St. Rly. A. | .... | (— bid 13 asked) | | | |
| 21¼ | 15¾ | • | ... | Int. Util. (A) | 290 | 19¼ | 20 | 19 | 20 |
| 3¼ | 1¾ | • | ... | Do. (B) | 4125 | 2¾ | 2¾ | 2¼ | 2¼ |
| | | | | **J** | | | | | |
| 36¼ | 35 | 1.75 | ... | Jam. Pub. Ser. | 25 | 35 | 36¼ | 36¼ | 36¼ |
| 132 | 131 | 7 | 5.3 | Do. pref. | .... | (131 bid — asked) | | | |
| | | | | **K** | | | | | |
| 39 | 30¼ | 1.25 | ... | Kelvinator | 419 | 36 | 37 | 35 | 36 |
| 106¼ | 106¼ | 7 | 6.6 | Do. pref. | .... | 106¼ bid 108 asked | | | |
| | | | | **L** | | | | | |
| 43¼ | 36¼ | • | ... | Lake of Woods. | 4977 | 37¼ | 37¼ | 36¼ | 37 |
| 155 | 150 | 7 | 4.5 | Do. pref. | 10 | 152 | 155 | 155 | 155 |
| 70 | 55¼ | 5 | 7.2 | Landed Bank | 17 | 65 | 70 | 67 | 70 |
| 21 | 15¼ | 17½c | .. | Lang, J. A. | 60 | 20 | 19¼ | 19 | 19 |
| 6 | 4¼ | • | ... | Langley's | 10 | 5 | 6 | 6 | 6 |
| 65 | 55 | • | ... | Do. pref. | .... | (55 bid 60 asked) | | | |
| 77 | 72 | 3 | 4 | Laura Secord | 30 | 75 | 75¼ | 75 | 75¼ |
| 15 | 8 | • | ... | Lindsay, C. W. | 25 | 14¾ | 14¾ | 14¾ | 14¾ |
| 78 | 70 | • | ... | Do. pref. | .... | (70 bid 78 asked) | | | |
| 25 | 23¼ | 1 | 4.1 | Loblaw (A) | 1692 | 24 | 24¼ | 23¾ | 24¼ |
| 23 | 21 | 1 | 4.4 | Do. (B) | 420 | 22¾ | 22¾ | 22 | 22¾ |
| | | | | **M** | | | | | |
| †10¼ | 2¾ | • | ... | MacKin. Steel | .... | (6 bid 11 asked) | | | |
| 64 | 60 | • | ... | Do. pref. | .... | (60 bid — asked) | | | |
| 37¼ | 28 | • | ... | Maclaren Pr. pr. | 520 | 30 | 29¾ | 28¼ | 28¼ |
| .25 | .25 | • | ... | M. L. Gardens. | .... | (1.00 bid — asked) | | | |
| 5 | 2¼ | • | ... | Do. pref. | .... | (3 bid 5 asked) | | | |
| 11 | 6¼ | • | ... | Maple Leaf | 2790 | 9 | 9¾ | 8¾ | 9¼ |
| 12¾ | 9 | • | ... | Do. pref. | 135 | 9¾ | 9¼ | 9 | 9¼ |
| •12¾ | 12 | 60+10c | | Maritime Tel. | .... | (17 bid 18 asked) | | | |
| †15 | 15 | 70c | ... | Do. pref. | .... | (17 bid — asked) | | | |
| †18 | 13 | • | ... | Marcus Loew's. | .... | (— bid 20 asked) | | | |
| 125 | 125 | 7 | 5.6 | Do. pref. | .... | (115 bid — asked) | | | |
| 12¼ | 8¼ | • | ... | Massey-Harris | 41047 | 9¼ | 12¼ | 9¼ | 12¼ |
| 67 | 52¼ | • | ... | Do. pref. | 6533 | 62 | 67 | 61 | 66¾ |
| 14¼ | 13¼ | 80c | 5.8 | McColl Fron. | 5229 | 14 | 14 | 13¾ | 13¾ |
| 100¾ | 99 | 6 | 6 | Do. pref. | 185 | 100 | 100¼ | 99¼ | 100 |
| 8 | 5¼ | • | ... | Melchers, new | 130 | .. | 8 | 5¼ | 5¼ |
| 9¼ | 8¼ | • | ... | Do. pref. | 302 | .. | 9¼ | 8¼ | 8¼ |
| 2 | 2 | • | ... | Mercury Mills | .... | (— bid 10 asked) | | | |
| 32 | 23 | • | ... | Do. pref. | 90 | 27 | 26¼ | 25 | 25 |
| 50 | 49 | 2 | ... | Mitchell, J. S. | .... | (50 bid — asked) | | | |
| †110 | 110 | 7 | ... | Do. pref. | .... | (111 bid — asked) | | | |
| 30 | 21¼ | • | ... | Mitchell, Robt. | 1068 | 27 | 27 | 25¾ | 25¾ |
| 5¼ | 5 | • | ... | Monarch Knit. | .... | (5¼ bid — asked) | | | |
| 86 | 83¼ | 7 | 8.3 | Do. pref. | .... | (— bid 73¼ asked) | | | |
| 41 | 36 | 50c | ... | Montreal Cot. | 135 | 36 | 41 | 38 | 41 |
| 110 | 105 | 7 | 6.4 | Do. pref. | 10 | 108 | 110 | 110 | 110 |
| 1 | 1 | • | ... | Mont. Is. Pr. | .... | (1¼ bid 4 asked) | | | |
| 37¼ | 30¼ | 1.50 | 4.6 | Mont. L. & Pr. | 19479 | 33¾ | 34 | 30¼ | 31 |
| 31 | 28 | 2 | 6.4 | Montreal Loan. | 124 | 31 | 31 | 30 | 30 |
| 15¼ | 13 | 1 | ... | Mtl. Ref. & S. P. | 5 | 15¼ | 15¼ | 15¼ | 12¼ |
| 1¼ | 1¾ | • | ... | Do. Vot. Tr. | 5 | 1¼ | 1¼ | 1¼ | 1¼ |
| 65 | 58 | 3.20 | 5 | Montreal Tele. | .... | (— bid 63¼ asked) | | | |
| 100 | 91¼ | 9 | 9 | Montreal Trams | 225 | 100 | 100 | 99¼ | 100 |
| 44¼ | 43 | 1.60 | 3.7 | Moore Corp. | 1355 | 44 | 44 | 43 | 43¼ |
| 187 | 180 | 7 | 3.8 | Do. pref. (A) | 20 | 182 | 187 | 186 | 187 |
| 267 | 258 | 7 | 2.6 | Do. pref. (B) | 10 | 260 | 267 | 267 | 267 |
| 1¼ | 1 | • | ... | Muirheads | .... | (1 bid 1¼ asked) | | | |
| 5 | 5 | • | ... | Do. pref. | .... | (5¼ bid — asked) | | | |
| | | | | **N** | | | | | |
| 42¼ | 39¾ | 2 | 4.8 | Nat. Breweries. | 3651 | 41¼ | 42 | 40¼ | 40¼ |
| 43¼ | 41¼ | 1.75 | 4.1 | Do. pref. | 50 | 42 | 43 | 43 | 43 |
| 9¼ | 8¾ | • | ... | Nat. Grocers | 1525 | 9 | 9¼ | 8¾ | 9 |
| 139 | 137 | 7 | 5.1 | Do. pref. | .... | (138 bid 139 asked) | | | |
| 21¼ | 19¼ | • | ... | N. Sew. Pipe, A | 135 | 19¼ | 20 | 19¼ | 20 |
| 57¼ | 50¼ | • | ... | Nat. Steel Car. | 1165 | 54 | 54¼ | 52 | 53 |
| 210 | 201 | 8 | 3.8 | National Tr. | 5 | 201 | 209 | 209 | 209 |
| 54 | 44 | 90c | ... | ..iag. W. Weav. | 5465 | 50¼ | 50¼ | 49 | 49 |
| 4 | 2¼ | • | ... | North Star Oil. | 125 | 2¼ | 2¼ | 2¼ | 2¼ |
| 4¾ | 4¼ | 17½c▲ | .. | Do. pref. | 50 | 4¼ | 4¼ | 4¼ | 4¼ |
| †93 | 61 | 5 | ... | N. S. L. & Pr. | .... | (97¼ bid 100 asked) | | | |
| 97½ | 97½ | 6 | 6.2 | Do. pref. | 2 | 93 | 97½ | 97½ | 97½ |
| 37 | 9¼ | • | ... | N. S. Steel, pf. | .... | (25 bid 30 asked) | | | |
| | | | | **O** | | | | | |
| 281 | 245 | 8 | 2.8 | Ogilvie Flour | 136 | 280 | 281 | 280 | 280 |
| 168 | 165 | 7 | 4.2 | Do. pref. | 25 | 165 | 168 | 168 | 168 |
| 110 | 106 | 5 | 4.5 | Ontario Loan | .... | (110 bid 112 asked) | | | |
| 7¼ | 7 | • | ... | Ont. Silknit | .... | (— bid 10 asked) | | | |
| †90 | 75 | 7 | ... | Do. pref. | .... | (— bid 75 asked) | | | |
| 18¾ | 15 | • | ... | Ont. Steel | 185 | 17¼ | 17 | 17 | 17 |
| 114 | 114 | 3.50 | ... | Do. pref. | .... | (114 bid — asked) | | | |
| 3¼ | 2 | • | ... | Orange Crush | 55 | 3¼ | 3¼ | 3¼ | 3¼ |
| 7¼ | 6¼ | • | ... | Do. pref. | 65 | 7 | 7 | 7 | 7 |
| 100 | 95 | 6 | 6.2 | Ott. L. H. & Pr. | 53 | 97 | 97 | 97 | 97 |
| 105 | 103 | 5 | 4.8 | Do. pref. | 50 | 104 | 104 | 103 | 103 |
| 20¼ | 19¼ | 2 | 10 | Ott. Traction | 20 | 20 | 20 | 20 | 20 |
| | | | | **P** | | | | | |
| 105 | 98 | 3+25c | .. | Page Hersey | 815 | 105 | 105 | 102 | 102¼ |
| 9¾ | 6¾ | • | ... | Pantepec Oil | 2005 | 7¾ | 7¼ | 6¾ | 7 |
| 20 | 20 | • | ... | Paton Mfg. | .... | (20 Jan. 26) | | | |
| †110 | 110 | 7 | ... | Do. pref. | .... | (111 bid — asked) | | | |
| 63¾ | 61 | 3 | 4.7 | Penmans | .... | (— bid 63¼ asked) | | | |
| 130 | 127 | 6 | 4.7 | Do. pref. | .... | (127 Feb. 13) | | | |
| 26¼ | 23¼ | 1 | 4.2 | Photo Eng. | 115 | 23¼ | 23¼ | 23¼ | 23¼ |
| 101 | 96 | 7 | 6.9 | Porto Rico Pr p | .... | (100 bid 103 asked) | | | |
| 33¾ | 26¼ | 25c | ... | Power Corp. | 6339 | 33 | 32¼ | 26¼ | 27¼ |
| 108 | 104 | 6 | 5.6 | Do. pref. | 80 | 107 | 108 | 106¾ | 106¾ |
| 3¾ | 2¼ | • | ... | Prairie C. Oil. | 615 | 2¼ | 2¾ | 2¼ | 2¼ |
| 36 | 33 | 1.75+62½c | | Pressed Metals | 305 | 35¼ | 36 | 34 | 34¼ |
| 41¼ | 25 | • | ... | Price Bros. | 14595 | 36 | 39¾ | 35¾ | 38¾ |
| 139 | 98 | • | ... | Do. pref. | 2120 | 128 | 135 | 126 | 134 |
| 78 | 72 | • | ... | Do., new | .... | (— bid — asked) | | | |
| 5 | 2 | • | ... | Do. Rights | 8202 | 3¼ | 4 | 3 | 3¾ |
| | | | | **Q** | | | | | |
| 25¾ | 21¾ | 1 | 4.4 | Quebec Power | 2278 | 24 | 23¾ | 21¾ | 22 |
| 4¾ | 4¼ | • | ... | Que. Telephone | .... | (4¾ bid — asked) | | | |
| | | | | **R** | | | | | |
| 58 | 40 | 2 | 3.4 | Real Estate L'n | .... | (40 bid 60 asked) | | | |
| 10¼ | 8¾ | • | ... | Regent Knit. | 790 | 10 | 10 | 9¼ | 9¼ |
| 23¼ | 19 | • | ... | Do. pref. | 90 | 23 | 23 | 22 | 22½ |
| 14¼ | 10 | • | ... | Reliance Grain. | 15 | 12 | 10 | 10 | 10 |
| 28¾ | 22 | 60+15c• | . | Remington R'd. | .... | (— bid 29¼ asked) | | | |
| 33 | 30¼ | 2+1.75 | .. | River. S. Mills | 185 | 32¾ | 31¼ | 30¼ | 31¼ |
| 8¾ | 7¼ | • | ... | Rogers Majest. | 570 | 8¼ | 8¼ | 7¾ | 8 |
| 29 | 26 | 25c | ... | Rolland Pap. | .... | (26 bid 27 asked) | | | |
| 30¼ | 25 | • | ... | Do. Vot. Tr. | 240 | 27¼ | 27 | 27 | 27 |
| 106½ | 103¼ | 6 | 5.6 | Do. pref. | 39 | 106¼ | 106¼ | 106 | 106 |
| 11¾ | 11¾ | 50c | ... | Root Petroleum | .... | (— bid 14 asked) | | | |
| 226 | 200 | 8 | 3.6 | Royal Bank | 453 | 224 | 225 | 220 | 225 |
| 60 | 56 | 1.50 | ... | Russell Motor | .... | (70 bid — asked) | | | |
| 112 | 110 | 7+1▲ | .. | Do. pref. | .... | 114¼ bid 118 asked | | | |
| | | | | **S** | | | | | |
| 102½ | 100 | 5.50 | 5.4 | Saguenay Pr. p | 740 | 102 | 102½ | 101¼ | 102½ |
| 22 | 13 | • | ... | Sarnia Br. (A) | 10 | 15¼ | 15¼ | 15¼ | 15¼ |
| 16 | 8 | • | ... | Do. (B) | 150 | 10 | 12 | 10 | 12 |
| 34 | 29¼ | 80c | 2.6 | Shawinigan Pr. | 18933 | 33¾ | 34 | 29¼ | 30 |
| 26¼ | 24¼ | • | ... | Sher. Wms. | 80 | 24¼ | 25 | 24¼ | 25 |
| 130 | 127 | 7 | 5.4 | Do. pref. | 33 | 130 | 130 | 130 | 130 |
| 16 | 14 | 25c | ... | Simon & Son | 20 | 15 | 15 | 15 | 15 |
| 101 | 100 | 7 | 6.9 | Do. pref. | .... | (101 bid — asked) | | | |
| 110 | 99¾ | 4 | 3.8 | Simpson, pf. | 315 | 106 | 106 | 105 | 105 |
| 38 | 20 | • | ... | Do. (A) | 40 | 35 | 34 | 33 | 33 |
| 17 | 11¼ | • | ... | Do. (B) | 300 | 13¾ | 13¾ | 13 | 13¾ |
| 122 | 118 | 6 | 5 | Simpson, R., pf. | 10 | 120 | 119¾ | 119¾ | 119¾ |
| 18¼ | 14¼ | 80c | 5.2 | So. Can. Pr. | 1385 | 17¼ | 17¼ | 15 | 15 |
| 108 | 104 | 6 | 5.6 | Do. pref. | 288 | 108 | 108 | 107¾ | 107¾ |
| 11¾ | 8¼ | • | ... | St. Law. Corp. | 9375 | 10¼ | 10¾ | 10 | 10 |
| 30¼ | 25 | • | ... | Do. (A) | 9782 | 29¼ | 30¼ | 29 | 30¼ |
| 73 | 72 | 3 | 4.1 | St. Law. Flour. | 20 | 73 | 67 | 67 | 67 |
| 140 | 140 | 7 | 5 | Do. pref. | 10 | 140 | 140 | 140 | 140 |
| 77¼ | 68 | • | ... | St. Law. Pap. p. | 769 | 74 | 74¼ | 72 | 72¼ |
| 15¼ | 11¼ | • | ... | Stand. Chem. | 50 | 14¼ | 13¾ | 11¼ | 13¾ |
| 14 | 8 | • | ... | Stand. Clay | 25 | 14 | 14 | 14 | 14 |
| 8¾ | 5¼ | • | ... | St. Pav. & Mat. | 1940 | 8 | 6¾ | 6 | 6¾ |
| 59 | 43 | • | ... | Do. pref. | 10 | 50 | 45 | 45 | 45 |
| 49¼ | 46 | 75+75c▲ | . | Stand. Steel, pf. | 50 | 49 | 46 | 46 | 46 |
| 96 | 80 | 1.75‡ | 2 | Steel of Can. | 2261 | 95¼ | 95 | 90 | 90 |
| 88 | 73 | 1.75 | 2.1 | Do. pref. | 1080 | 83¼ | 88 | 83 | 83 |
| 4 | 3¼ | • | ... | Sterling Coal | .... | (4 bid 4¼ asked) | | | |
| 3¼ | 1¼ | • | ... | Stop & Shop | .... | (1¼ bid 2 asked) | | | |
| 17 | 16¾ | 80c | 4.7 | Stuart, D. A. pf. | 40 | 16¾ | 17 | 17 | 17 |
| 775 | 775 | 3.75 | ... | Sun Life | .... | (775 Feb. 18) | | | |
| †2¾ | 2 | • | ... | Supersilk H. | .... | (— bid — asked) | | | |
| 80 | 80 | 3.50 | 4.4 | Do. pref. | .... | (— bid — asked) | | | |
| 37 | 33¼ | 1 | 2.8 | Sup. Pete. ord. | 320 | 35 | 36 | 35 | 36 |
| 36 | 34 | 1 | 2.9 | Do. com. | 30 | 36 | 36 | 34 | 34 |
| | | | | **T** | | | | | |
| 16¾ | 15¾ | 80c | 4.8 | Tamblyn | 1482 | 16¼ | 16¾ | 16 | 16¼ |
| 54 | 52¼ | 2.50 | 4.7 | Do. pref. | .... | (54 bid — asked) | | | |
| 2¼ | 1¾ | • | ... | Thayers | 217 | 2 | 2¼ | 2 | 2¼ |
| 25 | 19 | 2.50 | ... | Do. pref. | 100 | 25 | 22 | 22 | 22 |
| 2.00 | 1.50 | • | ... | Thrift Stores | 20 | 1.60 | 1.60 | 1.60 | 1.60 |
| 8 | 7 | • | ... | Do. pref. | 25 | 7 | 7 | 7 | 7 |
| 11¾ | 10 | 25c | ... | Tip Top Tailors | 320 | 10 | 10¾ | 10¼ | 10¼ |
| 108¼ | 106 | 7 | 6.5 | Do. pref. | 15 | 107¼ | 108 | 107¼ | 107¼ |
| 5¼ | 2 | • | ... | Tooke Bros. | 20 | 4 | 4 | 4 | 4 |
| 34¾ | 21 | • | ... | Do. pref. | 27 | 25 | 29 | 29 | 29 |
| 42¼ | 37 | 1 | 2.4 | Tor. Elevators | 1040 | 39½ | 42¼ | 39 | 42 |
| 118 | 110 | 7 | 6 | Do. pref. | 45 | 116 | 117 | 116 | 116 |
| 52 | 51¼ | • | ... | Do. pref., new | 45 | 51¼ | 51¼ | 51¼ | 51¼ |
| 110 | 100 | 4 | 4 | Tor. Gen. Tr. | 42 | 104 | 100 | 100 | 100 |
| 126 | 125 | 6 | 4.8 | Toronto Mtge. | 4 | 125 | 126 | 125 | 126 |
| 160 | 153 | 7 | 4.4 | Tuckett Tob. pf. | 1 | 159 | 160 | 160 | 160 |
| 18 | 14 | • | ... | Twin City | .... | (13¼ bid 15 asked) | | | |
| | | | | **U** | | | | | |
| 19 | 15¼ | 35c | ... | Union Gas | 2820 | 15¼ | 16¾ | 15¼ | 16¾ |
| 26¼ | 20 | 60+10c | .. | Un. Amuse. A. | 10 | 25 | 26¼ | 26¼ | 26¼ |
| 25 | 24 | 60+10c | .. | Do. (B) | 5 | 25 | 24 | 24 | 24 |
| 1.15 | .85 | • | ... | United Distill. | 300 | 1.00 | 1.00 | .95 | 1.00 |
| 62¼ | 51¼ | • | ... | United Fuel, pf. | 405 | 57¾ | 58 | 56 | 56 |
| 25 | 25 | 2 | 8 | United Secs. | .... | (25 bid — asked) | | | |
| 10¼ | 7¾ | • | ... | United Steel | 3345 | 9¼ | 9¼ | 8¼ | 9 |
| | | | | **V** | | | | | |
| 8 | 5 | • | ... | Viau Bisc. | 46 | 5 | 7 | 7 | 7 |
| 57 | 50 | • | ... | Do. pref. | .... | (58 bid — asked) | | | |
| | | | | **W** | | | | | |
| 27 | 22 | 25c | ... | Wabasso Cot. | 385 | 22½ | 25 | 22½ | 25 |
| 49¼ | 45¼ | 2 | 4.1 | Walker-Good. | 2152 | 45⅞ | 46⅝ | 45½ | 46 |
| 20 | 19¼ | 1 | 5.2 | Do. pref. | 1171 | 19½ | 19¾ | 19¼ | 19¼ |
| 3¼ | 2¼ | • | ... | Walkerville Br. | 515 | 2¼ | 2¼ | 2¼ | 2¼ |
| 5 | 2¼ | • | ... | Waterloo Mfg. | 7670 | 3⅜ | 5 | 3¼ | 4½ |
| 12¼ | 10 | • | ... | West. C. Flour. | 340 | 10½ | 10 | 10 | 10 |
| 90 | 80 | • | ... | Do. pref. | 30 | 82 | 82 | 82 | 82 |
| 70 | 65 | 2.40 | 3.4 | West. Grocers. | 10 | 70 | 70 | 70 | 70 |
| 120 | 115½ | 7 | 5.8 | Do. pref. | 5 | 120 | 115½ | 115½ | 115½ |
| 18¼ | 17 | 80+10c | .. | Weston Ltd. | 690 | 17¼ | 17⅝ | 17 | 17⅝ |
| 106¼ | 101 | 5 | 4.9 | Do. pref. | 35 | 104 | 104 | 101 | 102 |
| 8 | 4 | • | ... | Windsor Hotel | 5 | 6 | 5 | 5 | 5 |
| 23 | 12 | • | ... | Do. pref. | 25 | 20 | 18 | 18 | 18 |
| 10¼ | 4¾ | • | ... | Winnipeg El. A. | 4659 | 7 | 7¼ | 6¾ | 6¾ |
| 10 | 4¾ | • | ... | Do. (B) | 300 | 7 | 7 | 6 | 6¾ |
| 44 | 30 | • | ... | Do. pref. | 160 | 35 | 36 | 34¼ | 34¼ |
| 65 | 53 | • | ... | Wood, A. & J. p | 20 | 61 | 65 | 65 | 65 |
| 85 | 78 | • | ... | Woods Mfg., pf. | 30 | 80 | 83 | 80 | 80 |
| | | | | **Z** | | | | | |
| 7 | 5½ | • | ... | Zimmerknit, c. | 30 | 6¾ | 7 | 7 | 7 |
| 96 | 92 | 7 | ... | Do. pref. | 5 | 92 | 96 | 96 | 96 |

* Quotations for 1935. No sales recorded in 1936-37 to date.
† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, and 1% payable Mar. 26, 1937.
▲ Capital distribution.

## Mining Dividends

| | Rate | Close Mar. 1 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 20c | 8.00 | .. |
| Beattie Gold | †5c | 1.40 | .. |
| Bralorne | 40c+15c | 8.90 | .. |
| Buff. Ankerite | 50c | 11.25 | 4.4 |
| Bulolo Gold | ‡1.40 | 29.00 | .. |
| Cariboo | 10c | 1.50 | 6.7 |
| Central Patricia | 4c | 4.75 | .. |
| Coniagas | 12½c | 3.20 | .. |
| Cons. Smelters | $1+$1 | 85.25 | .. |
| Dome Mines | $2+$2 | 48.25 | *8.3 |
| Falconbridge | 30c | 11.50 | 2.6 |
| Hollinger | 65c+45c | 14.87 | *7.3 |
| Howey Gold | 2c | .59 | .. |
| Hudson Bay | $1 | 37.00 | .. |
| Island Mountain | ‡10c | 1.05 | .. |
| Int. Coal & Coke | ‡1c | .22½ | .. |
| Inter. Nickel, c. | $2 | 70.25 | 2.8 |
| Inter. Mining | 15c | 16.62 | .. |
| Kirk. Lake | ‡3c | 1.03 | .. |
| Kerr Lake | 5c | .55 | .. |
| Lake Shore | $4+1 | 59.00 | *8.5 |
| Lava Cap M. | 2c+1c | .94 | .. |
| Little L. Lac | 30c | 7.05 | .. |
| Macassa | 15c | 7.75 | 2 |
| McIntyre | $2 | 41.00 | 4.9 |
| McKenzie R. Lake | 6+1c | 1.75 | .. |
| McKinley Sec. | 2½c | .65 | .. |
| McWatters Gold | 5c | .80 | .. |
| Noranda | $3 | 78.25 | 3.8 |
| Nor. Can. Mining | 2c | .75 | .. |
| Nipissing | 50c | 3.05 | .. |
| Premier | 12c+1c | 3.85 | *3.3 |
| Pioneer, B.C. | 30c | 5.80 | .. |
| Pickle Crow | 20c | 8.00 | 2.5 |
| Reno | 12c | 1.20 | 10 |
| San Antonio | 14c | 2.00 | .. |
| Sheep Creek | 8c | .68 | 11.8 |
| Siscoe | 20c+1c | 5.80 | *3.4 |
| Sudbury Basin | 10c | 6.35 | .. |
| Sylvanite | 20+5c | 4.10 | *6.1 |
| Teck-Hughes | 40c+5c | 5.95 | *7.5 |
| Toburn | 8c | 3.65 | 2.2 |
| Ventures | 2½c+2½c | 3.00 | .. |
| Wright-Har. | •40c+20c | 7.70 | *7.8 |
| Ymir Yankee Girl | 5c | .45 | .. |

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim paid Feb. 1.

## Listed Bonds

Week Ended Mar. 1, 1937

| | Int. rate | Due | High | Low | Range 1937 High | Low |
|---|---|---|---|---|---|---|
| Mtl. L. H. & P. Debs. | 3 | '39 | 50¾ | 50¼ | 50¾ | 50¼ |
| Abitibi | 5 | '53 | 92¼ | .. | 92¼ | 92¼ |

## Mining Stock Quotations

WEEK ENDED MARCH 1

| Par Val. | Range 1937 High | Low | Company | Sales | Close Feb. 22 (or last) | High for week | Low for week | Close Mar. 1 |
|---|---|---|---|---|---|---|---|---|
| 1 | .10½ | .06¼ | Afton | 23,300 | .08¼ | .08¼ | .08 | .08¼ |
| No | 1.90 | 1.42 | Aldermac | 269,915 | 1.87 | 1.90 | 1.62 | 1.67 |
| 1 | .04½ | .03¼ | Alexandria | 56,200 | .04 | .04 | .03½ | .03¾ |
| No | 8.75 | 6.50 | Anglo-Huronian | 4,005 | 8.00 | 8.00 | 7.75 | 8.00 |
| 1 | 1.42 | 1.10 | Argosy | 16,510 | 1.17 | 1.18 | 1.10 | 1.12 |
| 1 | 1.15 | .85 | Arntfield | 18,230 | 1.03 | 1.03 | .95 | 1.00 |
| No | .09 | .04½ | Arno | 14,400 | .06½ | .07 | .06 | .07 |
| 1 | .15 | .09 | Ashley | 33,467 | .12½ | .13 | .12 | .12½ |
| 1 | .27 | .09 | Astoria Rouyn | 146,850 | .15½ | .16 | .15 | .15 |
| 50c. | .16 | .07 | Aztec Mining | 1,200 | .11 | .12 | .11 | .11 |
| 1 | .36 | .24 | Bagamac new | 38,785 | .33 | .36 | .30 | .34 |
| 1 | 1.85 | 1.20 | Bankfield | 44,007 | 1.32 | 1.50 | 1.20 | 1.45 |
| 1 | .65 | .25 | Base Metals | 237,045 | .64 | .65 | .48 | .49½ |
| No | 1.75 | 1.30 | Beattie Gold | 16,595 | 1.45 | 1.48 | 1.40 | 1.40 |
| 1 | .65 | .48 | Beaufor | 21,925 | .50 | .54 | .50 | .50 |
| 1 | 1.70 | 1.33 | Bidgood Kirk | 41,820 | 1.45 | 1.51 | 1.38 | 1.45 |
| 1 | .72 | .58 | Big Missouri | 71,462 | .72 | .69½ | .61 | .61 |
| 1 | .29 | .19 | Bobjo | 94,768 | .22 | .24 | .21 | .22 |
| 1 | 1.14 | .46 | Bouscadillac G.M. | 105,345 | .90 | 1.02 | .88 | .88 |
| No | 9.00 | 7.90 | Bralorne | 6,795 | 8.65 | 9.00 | 8.50 | 8.90 |
| 1 | .15 | .07 | Brazil Gold | 3,300 | .08 | .08 | .08 | .08 |
| 1 | .21 | .12½ | Brett Trethewey | 37,160 | .15 | .17 | .15 | .15½ |
| 1 | .13 | .09¾ | Brownlee | 185,260 | .10½ | .13 | .10 | .10½ |
| 1 | 12.50 | 11.12 | Buffalo Ankerite | 3,460 | 12.00 | 11.87 | 11.25 | 11.25 |
| No | .06¼ | .05 | Buffalo Can. | 5,400 | .05½ | .05½ | .05½ | .05½ |
| 5 | 30.00 | 27.00 | Bulolo Gold | 1,235 | 29.50 | 29.50 | 29.00 | 29.00 |
| No | .23 | .10 | Bunker Hill | 3,400 | .17 | .16½ | .15 | .16 |
| No | 2.30 | 1.80 | Can. Malartic | 14,537 | 1.90 | 2.10 | 1.95 | 1.95 |
| 1 | 1.75 | 1.50 | Cariboo Gold | 950 | 1.61 | 1.60 | 1.50 | 1.50 |
| 1 | .47½ | .30 | Cartier Malartic | 47,700 | .34 | .35 | .31 | .31 |
| 1 | 1.66 | 1.40 | Castle Trethewey | 16,545 | 1.49 | 1.55 | 1.40 | 1.40 |
| 1 | .62 | .55 | Cent. Cadillac | 25,200 | .60½ | .62 | .55 | .60 |
| 1 | .31 | .15½ | Cen. Manitoba | 61,375 | .17½ | .17½ | .15½ | .15½ |
| 1 | 5.25 | 4.20 | Cen. Patricia | 28,235 | 4.40 | 4.90 | 4.35 | 4.75 |
| 1 | .43 | .22 | Cen. Porcupine | 183,657 | .24 | .34 | .22 | .27 |
| No | 1.47 | 1.00 | Chromium | 45,917 | 1.15 | 1.25 | 1.02 | 1.08 |
| No | .06 | .04 | Church M. & Mill. | 15,400 | .04½ | .04¾ | .04½ | .04½ |
| No | .09½ | .06 | Clericy | 44,925 | .08 | .08 | .07 | .07½ |
| 5 | 10.00 | 5.50 | Coast Copper | 3,955 | 9.95 | 10.00 | 8.00 | 8.00 |
| 1 | .03½ | .02 | Cobalt Contact | 26,400 | .02½ | .02½ | .02½ | .02½ |
| 5 | 3.50 | 3.10 | Coniagas | 1,515 | 3.30 | 3.50 | 3.10 | 3.20 |
| No | 2.14 | 1.79 | Coniaurum | 1,361 | 1.90 | 1.90 | 1.81 | 1.84 |
| 1 | 2.70 | 1.80 | Con. Chibougamau | 33,325 | 1.95 | 1.95 | 1.80 | 1.80 |
| 25 | 87.50 | 74.50 | Cons. Smelters | 14,207 | 87.00 | 86.50 | 82.00 | 85.25 |
| 1 | 2.98 | 2.30 | Darkwater | 19,910 | 2.50 | 2.50 | 2.30 | 2.45 |
| No | 51.12 | 47.00 | Dome Mines | 4,205 | 49.00 | 49.75 | 47.75 | 48.25 |
| 1 | .15 | .07 | Dom. Explorers | 30,575 | .09½ | .09 | .07½ | .07½ |
| 1 | 1.22 | .40 | Dorval Siscoe | 108,267 | .81 | 1.02 | .80 | .93 |
| 1 | .15 | .05½ | Duparquet | 465,730 | .13 | .15 | .10 | .13 |
| 1 | 2.05 | 1.20 | East Malartic | 40,600 | 1.75 | 1.80 | 1.66 | 1.66 |
| 1 | 2.70 | 2.32 | Eldorado | 23,897 | 2.50 | 2.60 | 2.35 | 2.50 |
| No | 12.87 | 10.12 | Falconbridge | 21,100 | 12.75 | 12.75 | 11.50 | 11.50 |
| 1 | .54 | .20½ | Federal | 293,775 | .33 | .37 | .25 | .28 |
| No | 1.58 | 1.15 | Francoeur Gold | 28,390 | 1.24 | 1.30 | 1.20 | 1.20 |
| 1 | .30 | .22 | Glenora | 73,800 | .23 | .24 | .22 | .23 |
| No | 1.02 | .80 | God's Lake | 28,515 | .80 | .82 | .80 | .81 |
| 1 | .30 | .10 | Golconda | 41,000 | .25 | .28 | .17 | .17 |
| 1 | .49 | .35 | Goldale | 39,900 | .36½ | .41 | .35 | .38½ |
| 50c. | .25 | .12 | Gold Belt | 8,500 | .24 | .25 | .17 | .25 |
| 1 | .18½ | .11 | Goodfish | 29,100 | .13½ | .14 | .13 | .13¼ |
| 1 | .63 | .18 | Graham Bosquet | 110,350 | .36 | .50 | .38 | .41 |
| 1 | .57 | .23½ | Granada Gold | 27,583 | .41 | .41 | .37 | .37½ |
| No | .18 | .07 | Grandora | 8,850 | .12 | .13 | .10¾ | .13 |
| 1 | .46 | .23 | Greene Stabell | 89,510 | .28 | .29 | .23 | .27 |
| 1 | .18 | .12 | Grull Wihksne | 3,500 | .18 | .16 | .15 | .15 |
| 1 | 1.25 | 1.00 | Gunnar Gold | 17,200 | 1.00 | 1.08 | 1.00 | 1.00 |
| 1 | .07 | .03½ | Halcrow Swayze | 6,900 | .04¼ | .04¾ | .04 | .04½ |
| 1 | 3.44 | 2.10 | Hard Rock | 63,275 | 2.15 | 2.55 | 2.15 | 2.35 |
| 1 | .35 | .15 | Harker | 72,200 | .25 | .28 | .23 | .24 |
| 5 | 15.50 | 13.75 | Hollinger | 12,052 | 15.00 | 15.12 | 14.75 | 14.87 |
| 1 | .72 | .56 | Howey Gold | 22,035 | .56 | .60 | .56 | .59 |
| No | 41.75 | 32.12 | Hudson Bay | 23,020 | 41.25 | 41.50 | 36.75 | 37.00 |
| 1 | 19.25 | 15.87 | Inter. Mining | 1,025 | 18.00 | 17.62 | 16.62 | 16.62 |
| No | 73.25 | 62.12 | Int. Nickel | 52,083 | 73.25 | 72.00 | 69.25 | 70.25 |
| 1 | 2.15 | 1.50 | Jellicoe | 113,197 | 1.60 | 1.80 | 1.50 | 1.66 |
| 1 | .59 | .42½ | J. M. Cons. Gold | 70,590 | .47 | .53 | .42½ | .48 |
| 1 | .65 | .55 | Kerr Lake | ...... | (.62 bid 1.00 asked) | | | |
| 1 | 2.65 | 1.90 | Kirk. Hud. Bay | 4,950 | 2.30 | 2.35 | 2.15 | 2.25 |
| 1 | 1.35 | .90 | Kirkland Lake | 88,700 | .93 | 1.09 | .90 | 1.03 |
| 1 | .40 | .24 | Kirk. Premier | 34,000 | .35 | .35 | .30 | .33 |
| 1 | .48 | .23 | Kirk. Townsite | 18,200 | .30 | .38 | .28 | .36 |
| 1 | 1.10 | .90 | Laguna | 11,750 | 1.02 | 1.03 | 1.00 | 1.01 |
| 1 | 59.25 | 56.25 | Lake Shore | 3,753 | 57.75 | 59.25 | 57.50 | 59.00 |
| 1 | .28 | .14 | Lamaque Contact | 52,400 | .18 | .19 | .17 | .17 |
| 1 | 1.33 | .97 | Lapa Cadillac | 35,500 | 1.01 | 1.06 | 1.00 | 1.02 |
| 1 | .95 | .78 | Lava Cap | 23,445 | .86 | .95 | .86 | .94 |
| 1 | .30 | .18½ | Lebel Oro | 114,260 | .26½ | .28 | .25 | .28 |
| 1 | 1.35 | .96 | Leitch Gold | 46,695 | .98 | 1.08 | .96 | 1.03 |
| 1 | .07½ | .05¼ | Lee Gold | 66,000 | .05½ | .06 | .05½ | .05¾ |
| No | 8.40 | 7.05 | Little Long Lac | 4,680 | 7.10 | 7.50 | 7.05 | 7.05 |
| 1 | 8.60 | 7.30 | Macassa | 34,485 | 7.60 | 8.15 | 7.40 | 7.75 |
| . | .33 | .26 | Maralgo | 165,825 | .27 | .33 | .26 | .31½ |
| 1 | .04¾ | .03½ | Malrobic | 28,800 | .03½ | .04½ | .03½ | .03¾ |
| No | .69 | .48 | Mandy | 39,395 | .66½ | .65 | .54 | .55 |

# Government Bonds

### Dominion of Canada Bonds

| Mar. 2, 1937 | | Bid | Ask. | Approx. Yld. |
|---|---|---|---|---|
| ‡5 | 1 Mar. '37 .... | 100.00 | 100.50 | ... |
| ‡5½ | 1 Dec. '37 .... | 102.50 | 103.25 | 1.14 |
| 2½ | 15 Oct. '39 .... | 102.00 | 102.75 | 1.45 |
| 4 | 15 Oct. '39 .... | 105.50 | 106.50 | 1.50 |
| 2 | 15 Nov. '39 .... | 101.00 | 101.50 | 1.44 |
| 1½ | 1 June '40 .... | 99.50 | 100.25 | 1.42 |
| 4½ | 1 Sept. '40 .... | 107.25 | 108.00 | 2.15 |
| 1 | 15 Mar. '41 .... | 97.25 | 98.00 | 1.50 |
| 5 | 15 Nov. '41 .... | 109.75 | 110.75 | 2.62 |
| 3 | 15 Oct. '42 .... | 103.25 | 104.00 | 2.24 |
| 2½ | 1 June '43 .... | 100.50 | 101.50 | 2.25 |
| 5 | 15 Oct. '43 .... | 111.00 | 112.00 | 3.00 |
| 4½ | 15 Oct. '44 .... | 109.00 | 110.00 | 3.03 |
| ■2½ | 15 Aug. '45 .... | 99.65 | 100.35 | ▲2.44 |
| 4 | 15 Oct. '45 .... | 105.50 | 106.50 | ▲2.92 |
| 4½ | 1 Feb. '46 .... | 109.00 | 110.00 | 3.21 |
| 3½ | 15 Oct. '49 .... | 101.50 | 102.50 | ▲3.13 |
| 4 | 15 Oct. '52 .... | 105.00 | 106.00 | ▲3.34 |
| 3 | 1 June '55 .... | 96.50 | 97.25 | 3.20 |
| 4½ | 1 Nov. '56 .... | 108.00 | 109.00 | ▲3.43 |
| 4½ | 1 Nov. '57 .... | 108.25 | 109.25 | ▲3.48 |
| 4½ | 1 Nov. '58 .... | 108.50 | 109.50 | ▲3.52 |
| 4½ | 1 Nov. '59 .... | 108.75 | 109.75 | ▲3.55 |
| ■3¼ | 15 Jan. '61 .... | 99.75 | 100.75 | ▲3.20 |
| 3¼ | 1 June '66 .... | 97.75 | 98.50 | 3.35 |
| ‡3 | Perp. bds. .... | 89.75 | 90.75 | 3.31 |

### Dominion Guaranteed Bonds

Canadian National Railways:

| | | Bid | Ask. | Approx. Yld. |
|---|---|---|---|---|
| 3 | 1 May '44 .... | 101.25 | 102.25 | 2.65 |
| 3 | 15 Dec. '50 .... | 96.00 | 97.00 | 3.27 |
| 3 | 15 Feb. '53 .... | 95.50 | 96.50 | 3.28 |
| *4½ | 1 Sept. '51 .... | 111.00 | 112.00 | 3.44 |
| *4½ | 1 Feb. '56 .... | 111.50 | 112.50 | 3.58 |
| †4½ | 1 July '57 .... | 111.00 | 112.00 | 3.66 |
| *4¾ | 15 June '55 .... | 113.75 | 114.75 | 3.65 |
| 5 | 1 Feb. '54 .... | 114.50 | 115.50 | 3.76 |
| *5 | 1 July '69 .... | 115.00 | 116.00 | ▲3.15 |
| *5 | 1 Oct. '69 .... | 116.00 | 117.00 | ▲3.65 |

### Provincial Government Bonds

| Mar. 2, 1937 | | Bid | Ask. | Approx. Yld. |
|---|---|---|---|---|
| **New Brunswick:** | | | | |
| 4 | 1 Sept. '54 .... | 101.50 | 103.00 | 3.76 |
| †4½ | 15 Apr. '61 .... | 107.00 | 109.00 | 3.92 |
| †5 | 15 Jan. '60 .... | 111.50 | 113.50 | 4.06 |
| **Nova Scotia:** | | | | |
| 3 | 2 Sept. '45 .... | 96.50 | 98.50 | 3.20 |
| 4½ | 15 May '43 .... | 105.50 | 107.00 | 3.25 |
| †4½ | 15 Sept. '52 .... | 108.00 | 110.00 | ▲3.36 |
| †5 | 1 Mar. '60 .... | 113.00 | 115.00 | 4.00 |
| **Ontario:** | | | | |
| *4 | 1 June '62 .... | 103.00 | 105.00 | 3.70 |
| *4½ | 1 Sept. '44 .... | 109.50 | 111.50 | 2.79 |
| 4½ | 1 June '50 .... | 108.25 | 109.25 | 3.62 |
| *4½ | 15 Jan. '62 .... | 108.00 | 110.00 | 3.87 |
| 5 | 15 Oct. '48 .... | 112.00 | 113.50 | 3.60 |
| *5 | 2 Dec. '60 .... | 117.00 | 119.00 | 3.78 |
| 5½ | 1 July '46 .... | 113.50 | 114.50 | 3.67 |
| **Ont. Hydro Comm.:** | | | | |
| 3½-4-5 | 1 Oct. '52 .... | 99.50 | 100.25 | .50 |
| 4¾ | 1 Jan. '70 .... | 114.50 | 116.00 | 3.88 |
| **Prince Edward Island:** | | | | |
| 3 | 1 Oct. '45 .... | 96.50 | 98.50 | 3.33 |
| **Alberta:** | | | | |
| 4 | 15 Dec. '54 .... | 64.00 | 68.00 | § |
| †4 | 1 Dec. '57 .... | 64.00 | 68.00 | § |
| 4½ | 1 Oct. '51 .... | 74.00 | 78.00 | § |
| †4½ | 1 Oct. '56 .... | 68.50 | 72.50 | § |
| †5 | 1 Jan. '48 .... | 69.00 | 73.00 | § |
| 5 | 1 Sept. '55 .... | 66.00 | 70.00 | § |
| *5 | 1 Oct. '59 .... | 69.00 | 73.00 | § |
| †5½ | 1 Jan. '47 .... | 70.00 | 74.00 | § |
| 6 | 1 Mar. '47 .... | 71.00 | 75.00 | § |
| **Quebec:** | | | | |
| 4 | 15 Mar. '52 .... | 104.50 | 106.00 | 3.48 |
| 4¼ | 1 Aug. '58 .... | 107.50 | 109.50 | 3.61 |
| 4½ | 2 Jan. '63 .... | 110.00 | 112.00 | 3.77 |
| **British Columbia:** | | | | |
| †4 | 1 Dec. '57 .... | 91.00 | 92.50 | 4.56 |
| *4½ | 15 Jan. '51 .... | 98.50 | 100.00 | 4.50 |
| †4½ | 1 Oct. '53 .... | 95.75 | 96.75 | 4.78 |
| 5† | 15 Jan. '48 .... | 99.50 | 100.50 | 4.94 |
| 5 | 1 Sept. '53 .... | 99.50 | 100.50 | 4.95 |
| 5½ | 1 Feb. '45 .... | 100.00 | 101.00 | 5.35 |
| 6 | 15 Feb. '47 .... | 101.00 | 102.00 | 5.73 |
| **Manitoba:** | | | | |
| 4 | 2 Jan. '50 .... | 86.50 | 88.00 | 5.28 |
| †4 | 1 Dec. '57 .... | 87.00 | 89.00 | 4.85 |
| †4½ | 15 Dec. '56 .... | 88.00 | 90.00 | 5.32 |
| 5† | 15 June '54 .... | 93.50 | 95.00 | 5.45 |
| *5 | 2 Dec. '59 .... | 94.00 | 95.50 | 5.34 |
| 5½ | 1 Oct. '55 .... | 91.50 | 92.50 | 6.17 |
| 6 | 1 Apr. '47 .... | 94.00 | 96.00 | 6.53 |
| **Saskatchewan:** | | | | |
| 4 | 15 Aug. '53 .... | 82.00 | 84.00 | 5.48 |
| 4 | 1 Nov. '60 .... | 80.50 | 82.00 | 5.33 |
| *4½ | 2 July '45 .... | 88.00 | 91.00 | 5.86 |
| †4½ | 1 Oct. '51 .... | 90.50 | 93.50 | 5.12 |
| †4½ | 15 Mar. '60 .... | 87.00 | 88.50 | 5.37 |
| 5 | 1 Aug. '58 .... | 88.00 | 90.00 | 5.82 |
| †5½ | 15 Nov. '46 .... | 90.00 | 93.00 | 6.48 |
| 5½ | 1 Oct. '52 .... | 89.50 | 92.00 | 6.30 |
| 6 | 15 Mar. '52 .... | 92.00 | 95.00 | 5.48 |

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

## DIVIDEND NOTICES

### The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st March, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of April, 1937, to shareholders of record of the 20th March, 1937.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 11th February, 1937.

### CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

THURSDAY, THE FIRST DAY OF APRIL next, to Shareholders of record at the close of business on the Fifteenth day of March, 1937.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, February 17th, 1937.

### Imperial Tobacco Company of Canada, Limited

#### Notice to Shareholders

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Company's offices, 3810 St. Antoine Street, Montreal, on Tuesday, the 23rd day of March, 1937, at eleven o'clock in the forenoon.

The shareholders are given further notice that the said General Meeting will be Special for the purpose of considering and, if thought fit, sanctioning certain amendments to the Company's By-laws made by the Directors on the 11th day of December, 1936, and on the 26th day of February, 1937, respectively, to the following effect:

1. To repeal and re-enact By-law 68A increasing the number of Directors of the Company from Ten (10) to Twelve (12).
2. To repeal and re-enact By-law 73 to provide that Six (6) Directors are to retire at each Annual General Meeting held after the 1st day of January, 1938.
3. To repeal and re-enact By-law 87A so as to provide that the maximum amount which shall be available for distribution to Officers and Directors shall not exceed 4% of the net profits of the Company in any year and alter, in certain respects, the method of calculating such maximum amount.

The Registrar of Transfers will be closed from 13th March to 23rd March, 1937, both days inclusive.

Dated at Montreal this 26th day of February, 1937.

By Order of the Board.

F. P. L. LANE,
Secretary.

### Imperial Tobacco Company of Canada, Limited

#### DIVIDEND

NOTICE IS HEREBY GIVEN THAT

A Final Dividend (No. 121) of twenty-two and one-half cents (22½c) per share on the paid-up Ordinary Shares of the Company for the year ended 31st December, 1936, has been declared payable on Wednesday, the 31st day of March, 1937, to shareholders of record at the close of business on Friday, the 12th day of March, 1937.

An Interim Dividend (No. 122) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Wednesday, the 31st day of March, 1937, to shareholders of record at the close of business on Friday, the 12th day of March, 1937.

A Semi-Annual Dividend (No. 50) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Wednesday, the 31st day of March, 1937, to shareholders of record at the close of business on Friday, the 12th day of March, 1937.

By Order of the Board.

F. P. L. LANE.
Secretary.

Montreal, P.Q.
26th February, 1937.

A. J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

# Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

| Par | Feb. 23 | Feb. 24 | Feb. 25 | Feb. 26 | Feb. 27 | Mar. 1 |
|---|---|---|---|---|---|---|
| U. S. Dollar, High ..... | 1.00 1/64 | 1.00 1/64 | 1.00 1/64 | 1.00 1/64 | 1.00 1/32 | 1.00 1/32 |
| Low ..... | .99[illegible] | .99[illegible] | .99[illegible] | .99[illegible] | 1.00 | 1.00 |
| 1936 High ..... | .99[illegible] | .99⅞ | .99[illegible] | .99[illegible] | .99[illegible] | .99[illegible] |
| Low ..... | .99⅞ | .99⅞ | .99[illegible] | .99[illegible] | .99[illegible] | .99[illegible] |
| U. K. pound ......... | 4.89½ | 4.89¼ | 4.89¼ | 4.89 | 4.89 | 4.89 |
| Australia ............ | 3.91¾ | 3.91¾ | 3.91¾ | 3.91¼ | 3.91¼ | 3.91¼ |
| Austria ............. | .1873½ | .1873½ | .1873½ | .1873½ | .1873½ | .1873½ |
| Belgium ............. | .1687 | .1686½ | .1686 | .1685½ | .1685 | .1686¼ |
| Brazil ............... | .0620 | .0620 | .0610 | .0615 | .0615 | .0615 |
| Czechoslovakia ....... | .0349⅛ | .0349¼ | .0349¼ | .0349¼ | .0349¼ | .0349¼ |
| Denmark ............. | .2185½ | .2184¼ | .2181¾ | .2183¼ | .2183¼ | .2184½ |
| France ............... | .0465½ | .0465½ | .0465 | .0465 | .0465 | .0465¼ |
| Germany ............. | .4024¾ | .4024¾ | .4024¾ | .4024¾ | .4024¾ | .4024¼ |
| Greece .............. | .0090 | .0090 | .0090 | .0090 | .0090 | .0090 |
| Holland ............. | .5475¼ | .5475¾ | .5477¾ | .5477¾ | .5477¼ | .5476¾ |
| Hungary ............. | .1975½ | .1975½ | .1975½ | .1975½ | .1975½ | .1975½ |
| India ................ | .3702¼ | .3701¼ | .3700¼ | .3698¼ | .3697¼ | .3698¼ |
| Italy ................ | .0526½ | .0526½ | .0526½ | .0526½ | .0526½ | .0526½ |
| Japan ............... | .2859 | .2855¾ | .2855 | .2855 | .2854 | .2855 |
| Jugoslavia ........... | .0235 | .0235 | .0235 | .0235 | .0235 | .0235 |
| New Zealand ......... | 3.94¾ | 3.94¾ | 3.94¾ | 3.94¼ | 3.94¼ | 3.94¼ |
| Norway .............. | .2460¾ | .2458¾ | .2455¾ | .2457¼ | .2457¼ | .2458¾ |
| Poland .............. | .1895½ | .1895 | .1895½ | .1895 | .1896 | .1896 |
| South Africa ......... | 4.88½ | 4.88¼ | 4.88¼ | 4.88 | 4.88 | 4.88 |
| Sweden .............. | .2524¾ | .2523¼ | .2522¾ | .2522¼ | .2521¼ | .2522¾ |
| Switzerland .......... | .2282¼ | .2281¾ | .2282 | .2282 | .2281¾ | .2282¼ |
| Hong Kong ........... | .3044 | .3044 | .3043 | .3044 | .3044 | .3041 |

## DIVIDEND NOTICES

### Lake St. John Power & Paper Company Limited 5% 25-Year Mortgage Debentures, Series "A"

NOTICE OF PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that the interest for the period from and including the 1st day of July, 1936, up to and including the 31st day of December, 1936, on the 5% 25-Year Mortgage Debentures, Series "A" of the Company at the rate of Five per centum per annum, will be paid on the 1st day of April, 1937, and that the registers of such Debentures will be closed for a period of fifteen days immediately preceding the said 1st day of April, 1937.

GIVEN, at the City of Montreal this 1st day of March, 1937.

By Order of the Board of Directors,

CHARLES W. DAVISON,
Secretary-Treasurer.

### Brandram-Henderson Limited

#### NOTICE

**To Holders of the Six Per Cent Twenty Year Sinking Fund Consolidated Mortgage Gold Bonds.**

The Plan of Reorganization of Brandram-Henderson Limited dated April 2nd, 1936, has become effective and in accordance therewith the new 6% Twenty Year First Mortgage Income and Fixed Interest Bonds and the New Shares of the Company, have been delivered to Montreal Trust Company, in trust, for distribution to the holders of the outstanding Six Per Cent Twenty Year Sinking Fund Consolidated Mortgage Gold Bonds of the Company, upon the following basis:

For each $500.00 principal amount of Six Per Cent Twenty Year Sinking Fund Consolidated Mortgage Gold Bonds.

$500.00 principal amount of 6% Twenty Year First Mortgage Income and Fixed Interest Bonds and seven and one-half (7½) New N. P. V. Shares.

Holders of outstanding Six Per Cent Twenty Year Sinking Fund Consolidated Mortgage Gold Bonds of the Company will obtain the New Bonds and New Shares to which they are entitled upon the basis hereinbefore set out, upon surrendering for cancellation their present Bonds, together with all unpaid Interest Coupons, to the office of the Montreal Trust Company, at 511 Place d'Armes, Montreal, Que., or at Royal Bank Chambers, Halifax, N.S., accompanied by a form of Distribution Requisition duly executed in accordance with the Instructions to be found thereon. A Form of Distribution Requisition is being mailed to every Bondholder of record on the Company's books. Bondholders who have not received same may obtain forms from either of the said offices of Montreal Trust Company, or from Brandram-Henderson Limited, 6684 St. Urbain Street, Montreal, Que., who will also furnish any further information desired.

The Company suggests for your protection that all Bonds in bearer form be sent by registered mail.

It will be to the advantage of the Bondholders if the Bonds are sent in promptly. If they are forwarded at once the new Shares can be issued to the Bondholders in time to qualify them to attend and vote as Shareholders at the annual meeting to be held in April.

BRANDRAM-HENDERSON LIMITED,
B. V. ATKINSON,
Secretary and Treasurer.

## Public Utility Earnings

Brazilian Traction

| January— | 1937 $ | 1936 $ | Increase $ |
|---|---|---|---|
| Gross earn. .. | 2,919,982 | 2,455,378 | 464,604 |
| Oper. exp. .. | 1,346,936 | 1,144,897 | 202,039 |
| Net earn. ... | 1,573,046 | 1,310,481 | 262,565 |

## DIVIDEND NOTICES

### The Ontario Loan and Debenture Company

199th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.25 per share for the current quarter ending 31st March, 1937, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st April, 1937, to Shareholders of record of the 15th March, 1937.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario,
23rd February, 1937.

### G. Tamblyn Limited

Notice of Dividends

A dividend of 1¼% has been declared on the $50.00 par value 5% Preferred Stock, for the quarter year ending March 31st, 1937, payable April 1st, to shareholders of record as at the close of business on Wednesday, March 17th, 1937.

A dividend of twenty cents ($0.20) per share has been declared on the No Par Value Common Stock payable on April 1st, to shareholders of record as at the close of business on Wednesday, March 17th, 1937.

By order of the Board.

W. H. CAMPBELL,
Secretary.

Toronto, Ontario, February 25, 1937.

### The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of April, 1937, to shareholders of record at the close of business on the 23rd of March, 1937.

F. G. WEBBER,
Secretary.

Montreal, February 24, 1937.

### Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1937.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1937.

The above Dividends are payable on Thursday, the 1st day of April, 1937, to Shareholders of record at the close of business Monday, the 15th day of March, 1937.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 23rd February, 1937.

### The Montreal Cottons Limited

Notice is hereby given that the Sixty-fourth Annual General Meeting of the Shareholders of The Montreal Cottons Limited, will be held in the office of the Company, 710 Victoria Square, Montreal, on Monday, the 15th day of March, nineteen hundred and thirty-seven, at the hour of 12.30 o'clock P.M. for the purpose of receiving the Annual Report, electing a Board of Directors for the ensuing year, appointing auditors, and to transact such further business as may come before the meeting.

By Order of the Board.

CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, February 27th, 1937.

**Week in Wheat**

# Big Pick-up in Buying Believed Coming Soon

## Strength of Canadian Market in Face of Heavy Argentine Exports Points to Bigger Business from May 1

From Our Own Correspondent

WINNIPEG.—Canadian wheat continues to show strength in the face of small exports and of small current bookings for future export. The feeling is strong that both buying and actual shipping will increase considerably in the near future, and that business should be especially good during May, June and July which comprises the last quarter of the current crop year.

Shippers are talking of an early opening of navigation, on account of favorable ice conditions, but there is doubt if the demand for shipment of wheat from the head of the lakes will be heavy before May 1.

Vancouver is worrying about the small amount of recent business and fears that the total for the year will be considerably under 1936. The eastern route is likely to have the advantage, on account of the need for rush shipments later in the year.

The fact that Argentine prices have been strengthening with the differential under Canadian wheat slightly narrowing is taken as a favorable indication.

### Surprising Strength

AN astonishingly firm basis to the wheat market has been disclosed by the action of recent prices. A bearish argument of great strength has been provided by the very large arrivals of Argentine wheat at European ports, arrivals that are due to continue with practically no diminution in volume for six weeks at least. If values had sharply declined, the nature of the movement of Argentine wheat would have been regarded as sufficient reason.

In addition, there have been reasons for technical weakness. Some larger holders of Chicago wheat, despairing of profits earlier anticipated, were believed to be reselling. Some Canadian wheat arrived in British ports unsold, and owners, faced by a small demand due to the great Argentine supplies available, were forced to sell at a loss. Concurrently some wheat at Buffalo was sacrificed at less than replacement cost.

* * *

### Bearish Factors Predominate

ANOTHER source of weakness was the disclosure of figures of extremely small overseas shipments of Canadian wheat which put under way new calculations of Canada's probable year-end carryover, with some observers suggesting a higher figure than previously employed. On top of those factors, figures were republished of the United States winter wheat acreage, some 15% higher than last year, and the highest on record, while some precipitation in the winter wheat belt improved the outlook for the crop.

In spite of all those factors, the market continued to give a good account of itself, emphasizing the closely balanced state of supply and demand likely to prevail before the end of the current crop year. Liverpool continues to be surprised at the extent of German and Italian buying, and is prepared to admit that reserve stocks on the Continent must have been smaller than was earlier supposed.

* * *

### Bull Market Possible

ARGENTINE wheat has shown a strengthening tendency, suggesting that the market is more impressed by the quantity that has been disposed of, and the reduction in available supplies, than by the great volume still to be absorbed in Europe within the next few weeks.

Evidently a very strong market could develop if anything were to impair the prospects for 1937 production. For several years the world has not been producing as much wheat as it has consumed, and another world crop on the short side would mean a tight situation.

## DIVIDEND NOTICES

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

### Canada Northern Power Corporation, Limited

*Common Dividend No. 31*

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1937, payable April 26th, 1937, to shareholders of record at the close of business on March 31st, 1937.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, February 23rd, 1937.

### The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-sixth Quarterly Dividend of One and Three-quarters per cent. (1¾%) being at the rate of Seven per cent. (7%) per annum for the Quarter ending May 31st, 1935, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of March, 1937, and that cheques will be mailed April 1st, 1937.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
February 4th, 1937.

### SUN LIFE of CANADA

Head Office: Montreal

STOCK TRANSFER DEPARTMENT

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 17th to the 31st of March, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of April, 1937, to shareholders of record at the close of business on March 16th, 1937.

By Order of the Board,

H. W. K. HALE,
Secretary.

### BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 10 cents per share, and an extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the Company, payable on the 15th day of April, 1937, to shareholders of record as of March 31st, 1937.

By Order of the Board,

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.,
February 25th, 1937.

## Alberta Secures Seed Loan Funds

The possibility of a crisis in the Alberta political situation over seed grain advances has been eliminated.

For several weeks there has been considerable speculation as to where the Government would secure funds for seed grain advances to farmers. The Government treasury was without the necessary funds and there was little possibility of the mortgage companies making advances. Last year the mortgage companies advanced money for seed grain loans on the assurance that the Government would not introduce radical debt legislation. The Government, however, failed to keep its promise and at its summer session introduced the Reduction and Settlement of Debts Act which has recently been declared ultra vires.

Thus the Government was faced with a difficult situation. Failure to arrange seed grain loans immediately would have resulted in loss of considerable support in the farm areas.

## DIVIDEND NOTICES

### Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1937, payable April 1st, 1937, to shareholders of record at the close of business March 15th, 1937.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
February 15th, 1937.

### The Canadian Bank of Commerce

DIVIDEND No. 200

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1937, and that the same will be payable at the Bank and its Branches on and after Monday, 1st March next, to shareholders of record at the close of business on the 30th January, 1937. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager

Toronto, 22nd January, 1937.

NOTICE OF REDEMPTION

### HINDE and DAUCH PAPER COMPANY of CANADA LIMITED

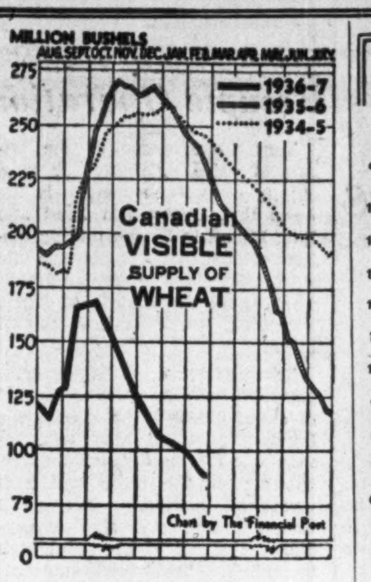
To the holders of the five and one-half per cent. (5½%) First Mortgage Sinking Fund Gold Bonds, Series "A," of Hinde and Dauch Paper Company of Canada, Limited, issued under a Mortgage and Deed of Trust dated as of May 1st, 1928, and Deeds supplemental thereto, made by the said Company in favour of Montreal Trust Company, Trustee.

NOTICE IS HEREBY GIVEN that on the 1st day of May, 1937, Hinde and Dauch Paper Company of Canada, Limited, pursuant to the powers contained in the above-mentioned Mortgage and Deed of Trust dated as of May 1st, 1928, and Deeds supplemental thereto, will redeem all of the 5½% First Mortgage Sinking Fund Gold Bonds, Series "A," which may then be outstanding at par with a premium of two and one-half per cent. (2½%) thereon and interest accrued thereon to the 1st day of May, 1937, at any of the places where the principal of the said bonds is, by the terms thereof, made payable.

As provided in the said Mortgage and Deed of Trust, all said Bonds will become due and payable on said 1st day of May, 1937, at such redemption price, and interest will cease to accrue thereon as and from the 1st day of May, 1937, and coupons for interest to accrue thereon after said date will become null and void.

DATED at Toronto, Canada, this 27th day of February, 1937.

HINDE & DAUCH PAPER COMPANY of Canada, Limited
T. E. LLOYD,
Treasurer.



### SLOW WORK

Canadian wheat in marketable positions has declined very slowly in recent weeks. Visible is now down to slightly over 91 million bushels and while this is about 130 millions below the corresponding period a year ago, it represents a total drop of less than 10 millions in the last month. The reason for this slowing up of course is due to the fact that Argentine exports of new crop wheat are at their crest.

Details in bushels are as follows:

| Week of Feb. 26 | Week Previous | Last Year |
|---|---|---|
| 91,246,000 | 92,402,000 | 222,694,000 |

Export Clearances*

| Week of Feb. 26 | Week Previous | Last Year |
|---|---|---|
| 2,267,421 | 2,405,640 | 4,729,765 |

*Plus U. S. imports.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew-Surpass, pf. | $1.75 | Apr. 1 | Mar. 15 |
| Acme Glove ...... | 12½c | Apr. 1 | Mar. 20 |
| Do., pref. ...... | $1.62½ | Apr. 1 | Mar. 20 |
| Do., arrears .... | 56¼c | Apr. 1 | Mar. 31 |
| Brazilian Tr., pf. .. | $1.50 | Apr. 1 | Mar. 15 |
| Bright, T. G. ...... | 7½c | Mar. 15 | Feb. 26 |
| Do., pref. ....... | $1.50 | Mar. 15 | Feb. 26 |
| Brit. Amer. Assur. | $1.50 | Apr. 1 | Mar. 25 |
| Bell Telephone ... | $1.50 | Apr. 15 | Mar. 23 |
| Bralorne Mines ... | 10c | Apr. 15 | Mar. 31 |
| Do., extra ....... | 10c | Apr. 15 | Mar. 31 |
| Belding Cort. ..... | $1 | Apr. 1 | Mar. 15 |
| Do., pref. ....... | $1.75 | Apr. 1 | Mar. 15 |
| Biltmore Hats, pf. | $1.75 | Mar. 15 | Feb. 15 |
| Bk. of N. Scotia .. | $3 | Apr. 1 | Mar. 16 |
| Canada Starch, pf. | $3.50 | Feb. 15 | Feb. 8 |
| Can. W. & C. pf.* | $1.75 | Mar. 20 | Mar. 1 |
| Can. Cottons ..... | $1 | Apr. 1 | Mar. 19 |
| Do., pref. ....... | $1.50 | Apr. 1 | Mar. 19 |
| Can. Gen. Insur. | 5% | Mar. 15 | Mar. 1 |
| Can. Indus. A, B .. | $1.50 | Apr. 30 | Mar. 31 |
| Do., pref. ....... | $1.75 | Apr. 15 | Mar. 31 |
| Can. Malting ..... | 37½c | Mar. 15 | Feb. 27 |
| Can. Cement, pf. .. | *$1 | Mar. 20 | Feb. 28 |
| Can. Pac. Rly. pf.. | 1% | Apr. 1 | Mar. 1 |
| Canadian Oil, pref. | $2 | Apr. 1 | Mar. 20 |
| Central Pat. Gold.. | 4c | Mar. 15 | Feb. 28 |
| Can. Bread, 1st pf. | $1.25 | Apr. 1 | Mar. 15 |
| Do., B pfd. ..... | 62½c | Apr. 1 | Mar. 15 |
| Can. Perm. Mtge. .. | $2 | Apr. 1 | Mar. 15 |
| Capital Trust ..... | $3 | Mar. 2 | Dec. 31 |
| Cariboo Gold ..... | 2½c | Apr. 1 | Mar. 10 |
| Chartered Trust .. | $1 | Apr. 1 | Mar. 15 |
| Can. Nor. Power .. | 30c | Apr. 26 | Mar. 31 |
| Do.. pref. ....... | $1.75 | Apr. 15 | Mar. 31 |
| Can. Tor. Invest. .. | 40c | Apr. 1 | Mar. 15 |
| Do., pref. ....... | $2 | Apr. 1 | Mar. 15 |
| Can. Wire Box, A . | 37½c | Apr. 1 | Mar. 15 |
| Cons. Bakeries .. | 25c. | Apr. 1 | Mar. 15 |
| Dominion Glass ... | $1.25 | Apr. 1 | Mar. 15 |
| Do., pref. ....... | $1.75 | Apr. 1 | Mar. 15 |
| Dominion Bank .. | $2.50 | Apr. 1 | Mar. 20 |
| Dome Mines ...... | 50c | Apr. 20 | Mar. 31 |
| Do., extra ....... | $2 | July 20 | June 30 |
| Dom. Textile ..... | $1.25 | Apr. 1 | Mar. 15 |
| Do., pref. ....... | $1.75 | Apr. 15 | Mar. 31 |
| Falconbridge N. .. | 7½c | Mar. 31 | Mar. 10 |
| Electrolux ........ | 40c | Mar. 15 | Feb. 15 |
| Do., extra ....... | 10c | Mar. 15 | Feb. 15 |
| Ford Motor ....... | 25c | Mar. 20 | Feb. 27 |
| Hamilton Cot'n, pf. | *50c | Apr. 1 | Mar. 15 |
| Ham. Un. Theat., p. | $1.25 | Mar. 31 | Feb. 27 |
| Hightower Oil, pf... | 15c | Mar. 1 | Feb. 23 |
| Hinde & Dauch ... | 25c | Apr. 1 | Mar. 15 |
| Hydro Elec. Secs. .. | 25c | Feb. 1 | Jan. 15 |
| Imperial Tob., ord. | 10c | Mar. 31 | Mar. 12 |
| Do., final ........ | 22½c | Mar. 31 | Mar. 12 |
| Do., pref. ....... | 3% | Mar. 31 | Mar. 12 |
| Inter. Nickel, c. .... | 50c | Mar. 31 | Mar. 1 |
| Inter Mining ..... | 15c | Mar. 20 | Mar. 1 |
| Lake Shore M. ..... | $1 | Mar. 15 | Mar. 1 |
| Land. Bkg. & L. .. | $1.25 | Apr. 1 | Mar. 15 |
| Lava Cap ......... | 2c | Mar. 31 | Mar. 10 |
| Louisiana Land .... | 10c | Mar. 15 | Mar. 1 |
| Montreal Cottons.. | 50c | Mar. 15 | Feb. 27 |
| Do., pref. ....... | $1.75 | Mar. 15 | Feb. 27 |
| Montreal Loan .... | 50c | Mar. 15 | Feb. 27 |
| Mitchell, J. S., pf. | $1.75 | Apr. 1 | Mar. 15 |
| McColl-Front., c. .. | 20c | Mar. 15 | Feb. 15 |
| Monarch Knit, pf. | $1.75 | Apr. 1 | Mar. 15 |
| Marcus Loew's, pf. | *$1.75 | Mar. 31 | Mar. 20 |
| Maritime Trust .... | $2 | Mar. 1 | Jan. 1 |
| Nat. Breweries .... | 50c | Apr. 1 | Mar. 15 |
| Do., pref. ....... | 44c | Apr. 1 | Mar. 15 |
| Nat. Grocers, pf. .. | $1.75 | Apr. 1 | Mar. 15 |
| N. Meth. Laund., p | $1.62½ | Mar. 1 | Feb. 22 |
| Niag. W. Weav. .. | 50c | Apr. 1 | Mar. 15 |
| Nat. Biscuit, com. . | 40c | Apr. 15 | Mar. 12 |
| Ont Silknit, pf. .. | $1.75 | Mar. 15 | Mar. 1 |
| Ont. Loan & Deb. | $125 | Apr. 1 | Mar. 15 |
| Power Corp., pfd. | $1.50 | Apr. 15 | Mar. 31 |
| Do., 2nd pfd. ..... | 75c | Apr. 15 | Mar. 31 |
| Premier Gold ..... | 3c | Apr. 15 | Mar. 12 |
| Do., extra ....... | 1c | Apr. 15 | Mar. 12 |
| Pioneer Gold ..... | 10c | Mar. 31 | Mar. 1 |
| Reliance Grain, p. | $1.62½ | Mar. 15 | Feb. 28 |
| Reno Gold ........ | 3c | Apr. 1 | Mar. 10 |
| Riverside Silk .... | 50c | Apr. 1 | Mar. 15 |
| Remington-Rand .. | 15c | Mar. 26 | Mar. 10 |
| Do. stock bonus | 1% | Mar. 26 | Mar. 10 |
| Do., extra ....... | 15c | Mar. 26 | Mar. 10 |
| South. Can. Pwr., p. | $1.50 | Apr. 15 | Mar. 20 |
| Saguenay Pwr., p. | $1.37½ | May 1 | Apr. 15 |
| Sher.-Williams, p. | *$1.75 | Apr. 1 | Mar. 15 |
| Standard Steel, pf. | 75c | Apr. 1 | Mar. 15 |
| Do., extra ...... | *75c | Apr. 1 | Mar. 15 |
| Sylvanite Gold ... | 5c | Mar. 31 | Feb. 15 |
| Do., extra ...... | 5c | Mar. 31 | Feb. 15 |
| Siscoe Gold ....... | 5c | Mar. 15 | Feb. 28 |
| Do., extra ...... | 1c | Mar. 15 | Feb. 28 |
| Sun Life ......... | $3.75 | Apr. 1 | Mar. 16 |
| Tamblyn ......... | 20c | Apr. 1 | Mar. 17 |
| Do., pref. ....... | 62½c | Apr. 1 | Mar. 17 |
| Teck-Hughes ..... | 10c | Apr. 1 | Mar. 10 |
| Tor. Gen. Insur. . | 25c. | Mar. 15 | Mar. 1 |
| Union Gas ....... | 12½c | Mar. 15 | Feb. 20 |
| H. Walker-G. .... | 50c | Mar. 15 | Feb. 19 |
| Do., pref. ...... | 25c | Mar. 15 | Feb. 19 |
| West. Assur., c. ... | $1.20 | Apr. 1 | Mar. 25 |
| Wright-Hargreaves | 10c | Apr. 1 | Mar. 1 |
| Do., extra ....... | 5c | Apr. 1 | Mar. 1 |

*On arrears.

## Commodity Prices

| | Latest week | Previous week | Same week last yr |
|---|---|---|---|
| Cattle ............ | $7.50 | $7.50 | $6.50 |
| Hogs ............. | 9.00 | 9.00 | 9.25 |
| Copper, lb. ....... | .16 | .14 | .09¼ |
| Cotton, lb. ....... | .1334 | .1295 | .1130 |
| Rubber, lb. ....... | .2185 | .21 | .1556 |
| Sugar, raw, lb. .. | .0345 | .0350 | .0345 |
| Silk, lb. .......... | *2.07 | 2.08 | 1.66 |
| Wheat (Man.) bu. | 1.27⅝ | 1.26⅝ | .81⅝ |
| Coffee, lb. ....... | .09⅝ | .09⅜ | .06¾ |
| Hides ............ | .14 | .14 | .10 |
| **Weekly Indices** | | | |
| N. Y. Annalist ..... | 139.4 | 140.0 | 124.7 |
| Fishers' ........... | 90.9 | 91.0 | 83.3 |
| N. Y. Journal of Comm. ........... | 88.8 | 88.8 | 79.3 |
| Crumps (Brit.) ..... | 79.6 | 78.9 | 68.2 |
| U. S. Labor ........ | 85.4 | 85.4 | 80.4 |
| Canada (D.B.S.) .... | 83.0 | 82.3 | 72.6 |

Monthly Indices

| Canada (D.B.S.) | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Retail (Jan.) ..... | 81.6 | 81.7 | 80.4 |
| W'sale (Jan.) .... | 81.3 | 79.7 | 72.9 |
| W'sale (Jan.) .... | 81.9 | 79.7 | 72.5 |
| U. S. Labor (Nov.) . | 82.4 | 81.5 | 80.6 |
| Gt. Brit. (Nov.) .... | 86.1 | 85.5 | 79.9 |

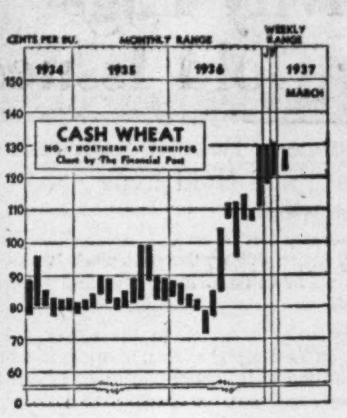
Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

## Powell River Co. Restores Wage Reductions of 5%

Employees of Powell River Co. will benefit from a general wage and salary increase of approximately 5% which went into effect March 1. The company has about 1,600 employees and operates one of the largest newsprint mills on the Pacific Coast at Powell River, B.C.

# Wheat Prices



(Cash Quotations)

| | For Week Mar. 2 High | For Week Mar. 2 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Man. Hard ... | 1.28⅝ | 1.23¾ | 1.28¾ | 1.24½ |
| 1 Northern ..... | 1.28 | 1.23⅞ | 1.28⅝ | 1.24⅜ |
| 2 Northern ..... | 1.26⅝ | 1.21¾ | 1.26½ | 1.22¼ |
| 3 Northern ..... | 1.21⅝ | 1.16¾ | 1.23½ | 1.18⅛ |
| 4 Northern ..... | 1.17⅛ | 1.13 | 1.17¾ | 1.13⅛ |
| 5 Wheat ........ | 1.13⅛ | 1.09 | 1.13¾ | 1.09½ |
| 6 Wheat ........ | 1.12⅝ | 1.08½ | 1.13¼ | 1.09 |
| Feed Wheat .... | .94⅛ | .90 | .94⅜ | .90½ |
| **Vancouver: Week to Feb. 26:** | | | | |
| 1 Northern ..... | 1.25 | 1.23½ | 1.29⅝ | 1.26½ |

Competitive Export Prices: Feb. shipment.

Week to Feb. 26

| | High | Low |
|---|---|---|
| No. 1 North. (Vanc.) .. | 1.47 | 1.43⅝ |
| No. 2 North. (Atlan.) .. | unquoted | |
| No. 1 North. (afloat) .. | unquoted | |
| No. 2 North. (Vanc.) .. | 1.44 | 1.40⅞ |
| West Australian (afloat) | 1.30⅝ | 1.30⅛ |
| Australian, March ...... | 1.30⅞ | 1.29⅞ |
| Argentine Rosafe ....... | 1.18⅝ | 1.16⅜ |
| Indian (new crop)† .... | 1.25¼ | 1.24 |

†May-June and Feb. shipment.

## Winnipeg Grain Futures

Week to March 2, 1937

| Crop year from Aug. 1, 1936 High | Crop year from Aug. 1, 1936 Low | | Open Feb. 17 | High for week | Low for week | Close Mar. 2 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| 1.30¾ | 1.05⅝ | May ........ | 1.23¼ | 1.27¼ | 1.21¾ | 1.27⅛ |
| 1.26⅝ | 1.03¾ | July ........ | 1.19 | 1.23⅛ | 1.18¼ | 1.23 |
| 1.15 | 1.04⅛ | Oct. ........ | 1.09⅝ | 1.12 | 1.07¾ | 1.11⅞ |
| | | **Oats** | | | | |
| .58 | .42¼ | May ........ | .54¼ | .55⅜ | .53½ | .55⅛ |
| .55⅛ | .43⅜ | July ........ | .51¼ | .52½ | .50⅞ | .52¼ |
| | | **Barley** | | | | |
| .88⅞ | .50⅞ | May ........ | .79⅜ | .81½ | .76⅝ | .81 |
| .77¼ | .56¾ | July ........ | .70½ | .72⅜ | .70⅛ | .72 |
| | | **Flax** | | | | |
| 1.75⅞ | 1.60½ | May ........ | 1.69½ | 1.71⅜ | 1.69½ | 1.71⅜ |
| 1.76 | 1.63¼ | July ........ | ...... | 1.73 | 1.70¼ | 1.71⅝ |
| | | **Rye** | | | | |
| 1.14⅞ | .62⅜ | May ........ | 1.03 | 1.06¼ | 1.00⅝ | 1.05⅝ |
| 1.12⅛ | .78¼ | July ........ | .99¼ | 1.01⅞ | .98¼ | 1.01¼ |
| .92½ | .83⅜ | Oct. ........ | .85¼ | .87⅝ | .83⅝ | .87⅜ |

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**Week in Mining**

# Market Activity Lags In Junior Gold Issues

## Week Is Featured by Absence of Definite Information from Junior Mines and Gold Issue Lethargy

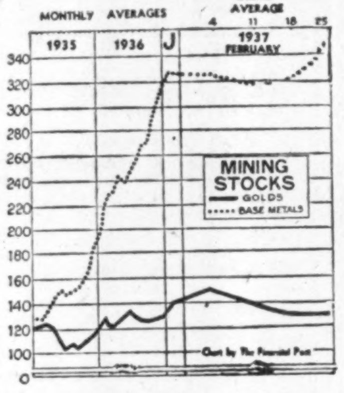
A noteworthy feature of market action during the past week has been the lack of constructive, mine-making news from the North, and particularly from well-known junior golds.

Not much change, of course, is to be expected in the senior golds. Compared with the current activity in base metal shares, many gold issues seem almost lethargic, but this condition is influenced to some extent by the fact that the price of gold is fixed, and that the speculative activity in shares of gold mining properties is dependent on the mine-making news coming out from the properties.

Base metals, the prices for which are not fixed, have followed the London metals market action closely, and are very responsive to any changes. It is to be expected that the advent of milder weather which will facilitate drilling will increase the news output from gold properties.

Larder Lake area, in which several new companies have been formed, should supply lively information before long. Malartic Township and Little Long Lac district have reported relatively little development news recently, while Cadillac Township has undergone such an intensive programme of prospecting and development that the temporary dearth of news from properties there is understandable.

Okalta and Calgary & Edmonton seem to have supplied most of the recent market action in oils, which, following important developments in the Turner Valley field, have lately attracted a very considerable speculative interest.



### Alberta Survey

RECOGNIZING the importance of recent developments in the Turner Valley oil field, the Financial Post in this issue presents a special survey giving up-to-date news of the work now being carried on in Alberta.

Next week there will be a feature story reviewing base metal issues and their prospects—a subject of special interest to the Canadian investor.

* * *

### Ford and Chromium

POSSIBILITY that the Ford Motor Co. of Canada would consider taking the full output of Chromium Mining and Smelting, was mentioned in the House of Commons last week by John R. MacNicol, M.P. He was discussing with Hon. T. A. Crerar, minister of mines and resources, a supply grant to the mines and geology branch.

Mentioning the agreement by which the Federal Government contributed $2 for every dollar put up by the provinces for the improvement of roads to mining areas, Mr. Crerar pointed out that last year $20,000 was spent on the road from Chromium Mining and Smelting to the railway.

Mr. MacNicol: "My information is that there is a great opportunity there at the present time. The Ford Motor Co., I am told, is considering taking the full output of the mine, which would involve the full output of the smelter at Sault St. Marie. However, the steel company at Sault Ste. Marie can utilize a quantity of the material, and anything that can be done to increase the production of chromium in the area would be a great benefit not only to employment at that point, but to the motor industry in Canada."

Hon. Mr. Crerar told Mr. MacNicol that the process in use by Chromium Mining and Smelting at Sault Ste. Marie was, he believed, working out successfully.

## Sladen-Malartic Sells Balance of Optioned Stock

From Our Own Correspondent

MONTREAL. — Sladen Malartic has issued the balance of shares—40,000 under option at 65 cents a share. This brings the number of shares outstanding in the hands of the public up to 2,277,010, exclusive of escrowed stock.

**Redwood Gold Mines** owning 12 claims adjoining Madsen Red Lake, has a crew on the property at present doing surface work. It is reported that a similar type of mineralization to that carrying vales on the Madsen and Rouge D'Or properties has been found on Redwood's claims, and that financial arrangements for the proposed programme have been made. Redwood is capitalized at 2,000,000 shares, of which 400,000 have been sold for cash, with 1,000,000 remaining in the treasury and 1,600,000 under option.

## New Rouillard Formed To Develop Old Site

New Rouillard Gold Mines has been formed by Canadian and American interests to resume work at the Rouillard property in Patricia district, where some years ago good showings are reported to have been had. The company is capitalized at 3,500,000 shares, and reports that $25,000 has already been paid into the treasury, which will easily provide for proposed exploration work and the 10,000 ft. of diamond drilling which has already been arranged. Colin Campbell will be consultant. Eight almost parallel veins have been established in addition to the high grade which has been disclosed, it is reported. What is described as No. 8 vein has been opened for 250 ft. and shows commercial width and values.

## Valmac Gold to Develop 30 Claims in Quebec

Valmac Gold Mines, capitalized at 3,000,000 shares, has been formed to develop 30 claims in Bourlamaque Twp., Quebec. Issued for properties and pooled are 1,100,000 shares. Six hundred thousand shares are under option and 1,300,000 remain in the treasury. The property is a little south of Sigma and Lamaque Gold Mines and 18 miles from Senneterre. Erection of camps has begun and an intensive development programme has been planned.

## Premier Gold Declares Dividend of 3c a Share

Premier Gold Mining has declared a regular quarterly dividend of three cents a share and extra of one cent, payable April 15 to shareholders of record March 12. Grand total of dividends paid since their inauguration in Dec., 1921, now stands at $19,558,074. The entire capitalization of 5,000,000 shares is outstanding, and the current payment will involve the distribution of $200,000. Premier is a subsidiary of American Smelting and Refining Co.

## No Lawsuit Facing Blue Star Mines Ltd.

An article appearing in last week's issue of The Financial Post from our Kenora correspondent reported that Blue Star Mines was inactive and that the company faced a law suit.

George Glendinning, president of Blue Star, states that while the property is at present inactive the report that a legal action faces the company in addition, is entirely without foundation.

## *Base Metal Mines Resume Operation*

Tangible evidence of the improved price obtaining for zinc, among other base metals, is the news that Lucky Jim Lead and Zinc Mines, in Slocan mining district of British Columbia and idle since 1930, plans to resume operations about the middle of April, according to President S. W. Miller.

Reorganization of this company will provide working capital of about $30,000. The rise in the London price of zinc was responsible for the decision that reopening of the mine and mill would be profitable. Nearly all Canada's lead and zinc is produced by British Columbia's mines. The Dominion's zinc output in 1936 was estimated at 163,458 tons, as compared with a production of 61,727 tons in 1926.

# Britain Seeks Base Metals From Canada

## Dominion Receives Preference in Meeting British Requirements

Supplementary provisions bearing on base metals, and contemplating possible future adjustment of the 1935 modifications of the base metal items in the 1932 Empire Trade pacts, are embodied in the new British-Canadian trade agreement tabled with the budget at Ottawa last week.

The new stipulations appear to be designed to ensure an adequate and regular supply at world market prices for the British metal processing industries, and simultaneously to assure Canadian producers of continued preferences as long as they can advantageously meet British market requirements, even if the 1935 modifications are suspended or abrogated.

In the detailed schedule of the new agreement, the 1932 preferential margins granted Canadian copper (four cents a pound) and zinc and lead (10% ad valorem) are reinserted, but potentially applicable only in case of cancellation of the 1935 modifications setting specific duties of seven shillings six pence on lead and 12 shillings six pence on zinc.

### Preference Assured

While continued provision is made for suspension of the British duties against foreign metals should Empire producers be "unable or unwilling" to maintain a sufficient supply at world prices, it is stipulated that any duties imposed on free-entry Empire metals will be preferentially lower by set spreads than imposts on foreign shipments.

The agreement's general recognition of the British Government's right to review and modify various provisions of the pact is supplemented by special acknowledgment that it shall be open to the British Government to impose a duty on Canadian and other Empire zinc subject to the preferential clauses regarding base metals.

### Consultation Promised

In a letter from Prime Minister King to Sir Francis Floud, British High Commissioner in Canada, dated Feb. 23, 1937, and appended to the agreement, the right to make zinc dutiable is granted only on the understanding that this will be preceded by thorough enquiry, and consultation with the Canadian Government. The letter makes note of the British Government's submission that "it is essential to national security that the production of the zinc smelting industry in the United Kingdom should be maintained at a satisfactory level."

The new trade agreement includes a general provision with regard to Schedule III (in which are listed the regular preferences for base metals) that either Canada or Great Britain may modify or suspend preferences if it appears that a "predominating share" of trade in any item is controlled to the prejudice of consumers by any group or combine of exporters.

## Reward Mining Co. Sells 100,000 Share Block

From Our Own Correspondent

MONTREAL.—Reward Mining Co. has notified the Montreal Curb Market that 100,000 shares at 14 cents a share have been taken up under the terms of the option agreement and the money paid into the treasury. Remaining under option are 100,000 shares at 16 cents each. This option is exercisable on or before April 9 next.

# Dome Profits $5.1 Millions For the Year

## Encouraging Report on New Developments is Issued

### INCOME IS HIGHER

A net profit of $5.1 millions is reported by Dome Mines for the year ended Dec. 31, 1936.

Taxes paid, including the marketing charges of the Royal Canadian Mint, and estimated payments for 1936 to the Dominion, provincial and municipal authorities, amounted to $876,245, a cost of $1.58 per ton of ore treated. This is exclusive of sales tax, customs duties and other indirect forms of taxation.

No change has taken place in the authorized capital stock of the company. Of the 46,666 shares held in trust for Dome as of Dec., 1935, 20,000 shares were used in part payment of the purchase price of Schumacher Veteran claim.

Developments on Schumacher Veteran, for which Dome paid $1,125,000 in addition to the 20,000 shares of stock, were reported amply justifying the purchase.

### Dome Holdings

Dome's shares in East Geduld Mines at cost are valued at $368,934, their quoted market value being $1,470,000. Cash on deposit in the dividend assurance fund totals $26,118, with Government, railway and other bonds at the quoted market value, amounting to $3,000,861.

Shares in the Dome subsidiary of Sigma Mines in Bourlamaque Twp. show a value at cost of $599,998, with advances to Sigma and accrued interest thereon amounting to $487,555. Dome has maintained its very liquid position.

Sigma Mines was continuously developed during 1936, 13,340 ft. of drifting, crosscutting, raising, winzing and shaft sinking being done. Total ore reserves are estimated at 278,000 tons. It is expected that the 300-ton mill planned for Sigma should be in operation by early spring. With the addition of a tube mill and classifier and other small equipment, capacity can be increased to 500 tons daily when required.

In all $800,000 was raised for work on Sigma during the year by Dome and Read-Authier on a 60-40 basis. It is expected that a further $200,000, raised in a similar way, will complete, or very nearly complete the placing of Sigma on a sustaining basis.

**Income and Surplus Account**
**Years Ended Dec. 31**

| | 1936<br>$ | 1935<br>$ |
|---|---|---|
| Bullion recovery ...... | 7,234,390 | 6,939,989 |
| Less operating exps.: | | |
| Mining, incl. hoisting | 793,319 | 731,370 |
| Devel. & explor. .... | 821,833 | 658,461 |
| Crushing & convey'g | 110,509 | 120,314 |
| Milling ............ | 503,128 | 504,506 |
| Adm .& gen. exps. .. | 136,341 | 150,511 |
| Insurance .......... | 15,683 | 15,408 |
| Munic. taxes ....... | 24,804 | 18,066 |
| Prov. taxes ......... | 6,095 | 1,220 |
| Directors' remun. .. | 41,500 | 38,500 |
| Counsel, solicitors, legal ... ........ | 10,542 | 13,810 |
| Executive officers .. | 21,114 | 22,664 |
| Operating earnings ... | 4,749,522 | 4,665,159 |
| Add: Non-oper revenue; | | |
| Discounts earned ... | 2,028 | 1,698 |
| Miscellaneous ...... | 132 | ...... |
| Dividends received . | 69,662 | 67,862 |
| Bond int. received .. | 272,125 | 296,296 |
| Bank & misc. int. .. | 7,626 | 8,565 |
| Less: Exchange (net) . | 1,071 | 10,826 |
| Net earnings .......... | 5,100,024 | 5,028,754 |
| Less: Reserve for taxes | 790,315 | 590,987 |
| Reserve for deprec. . | 137,089 | 200,000 |
| Outside exploration, w/o .............. | 28,558 | 18,047 |
| Conting., secs., etc. . | ...... | 500,000 |
| Net profit ............ | 4,144,062 | 3,719,720 |
| Less: Dividends ...... | 3,893,336 | 3,813,336 |
| Surplus for year ..... | 250,726 | *93,616 |
| Add: Previous surplus | 2,535,920 | 2,681,286 |
| Less: | | |
| Bonus to employees | 18,300 | 51,750 |
| Bal. carried forward .. | 2,768,346 | 2,535,920 |
| **Earns. per Share and Div. Record:** | | |
| Common: Earned* .... | 4.26 | 3.90 |
| Paid ................ | 2.00+2.00 | 2.00+2.00 |

*Based on 973,334 shares in 1936 and 953,334 shares in 1935, the number outstanding in the hands of the public.

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## *Gold Price Cut Is Suggested*

From Our Own Correspondent

WASHINGTON. — Whaley-Eaton Service in its bulletin points out that a decrease in the price for gold would be the ideal solution for the "hot" money problem; an opinion of great interest to Canadian mining. Politically, however, such a solution is anathema. The United States is now and may be expected to continue supporting the gold market.

A less effective remedy, this authority contends, would be a drop in the pound sterling to even $4.70. This development is considered within the bounds of possibility a few months hence.

No move that would wreck the Hull trade policy will be made. It is contended that the international stabilization agreement, while intended to curtail movement of speculative capital between nations, has actually facilitated such movement.

## Pandora Cadillac Gold Stock Called in Montreal

From Our Own Correspondent

MONTREAL.—Pandora Cadillac Gold Mines stock has been called for trading on the Montreal Curb Market. The listing covers the authorized capital of three million shares, of which number 2,660,007 shares have been issued and 339,993 remained in the treasury. A total of 140,000 shares are optioned at 50 cents a share, payable $25,000 a month commencing Feb. 24, 1938, and thereafter on March 24, April 24, and the balance on May 24, 1938.

## Red Crest Gold Mines Lists Stock in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading the capital stock of Red Crest Gold Mines. The listing covers the authorized capital of three million shares, of which number 2,250,000 shares have been issued, 250,000 shares held in trust for the company and 750,000 shares in the treasury.

The company reports an option agreement outstanding for one million shares, of which half are under option at 35 cents a share up to March 1, 1938 and the balance at 50 cents a share up to March 15, 1938.

## *Silicosis Tax Meets Protest*

From Our Own Correspondent

VANCOUVER. — Mining interests in the Kootenay district, acting through the Nelson Board of Trade, are protesting against the levy of 2½% on their 1936 payrolls to cover cost of the provincial government's silicosis prevention programme.

Mining men say that this levy boosts their assessment to 7% of their total payrolls, and that the surtax is out of all proportion to the prevalance of silicosis in the mines.

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# Halt Advised By Engineers At Empress

## Cost of Operations Not Justified to Date, Report States

General Engineering Co. has recommended that work be stopped immediately on the property of Empress Consolidated Mines at Jackfish.

R. M. P. Hamilton, who signs the report on behalf of General Engineering, which bases its recommendation on independent reports submitted by three engineers, points out that ground owned by Empress but not worked on by General Engineering, may be worth supervised prospecting after snow disappears.

The Empress property, according to a circular issued in March, 1936, was discovered in 1895 by "a lone Indian who sought game rather than gold." He brought it to the notice of the McKellar Bros. of Fort William, who began development.

Some underground work was done and progress seemed to be made. In 1897, however, the Empress closed down from lack of funds.

President Desrosiers will call a shareholders' meeting shortly to consider General Engineering Company's recommendation.

Mr. Hamilton's report says: "Cost of bulk sampling plant and operation is in no way justified by any indications we have been able to develop to date. Such values as have occasionally shown up in multitude of samples assayed have been too infrequent and low grade to indicate commercial ore under any safe method of computing tonnage values. Additional work at present location of activities would be unjustifiable expenditure at present time."

Mr. Desrosiers is forwarding General Engineering's full report to shareholders. Empress Consolidated is capitalized at 3,000,000 shares, of which 1,565,435 were issued as of Oct. 5, 1936, and 1,200,000 shares were pooled until July, 1938.

Officers of Empress Consolidated Gold Mines are: Charles Desrosiers, president; C. B. Owens, vice-president; Gordon B. Hodgson, secretary-treasurer; W. W. Jackson and Raymond C. Desrosiers, directors.

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Report from Dr. Way shows widening of newly-discovered zone on YPRES-CADILLAC

Latest report from Dr. Way, dated Feb. 27th, 1937, states:
"Zone No. 3 (syenite porphyry dyke) has widened from 22 inches at the west end of trenching to 52 inches at the east end. The eastern end is now very close to the gabbro dyke that traverses the property."
The Cadillac property of Ypres-Cadillac is located approximately half a mile from the shaft of O'Brien Mines. In addition the district includes such successful enterprises as Thompson-Cadillac, and others. Both these are producing mines.
*Due to its substantial financial position and development under the direction of Dr. Way, a competent geologist, we recommend the immediate purchase of shares in this Company.*
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# Hedley Amal. Probe Starts At Vancouver

## Enquiry Into Reports of Salting Ordered at Request of Company

### TRADING HALTED

From Our Own Correspondent

VANCOUVER.—A thorough enquiry has been launched into the reports last week which resulted in suspension of trading of Hedley Amalgamated Gold Mines stock on the Vancouver Exchange.

The suspension resulted from reports that ore samples had been salted, first circulated when the company directors brought to the attention of the Government a decided discrepancy between the company's and the department's assays.

Despite the statement of Dr. John F. Walker, deputy minister of mines, that, "it would seem at the moment that there is nothing wrong," G. L. Pat Fraser, Vancouver lawyer who conducted the enquiry into the Wayside Mines affairs, has been appointed to investigate under the B. C. Securities Frauds Prevention Act.

**Undercover Enquiry**

Trading in the stock of Hedley Amalgamated will probably remain under suspension until after the enquiry is completed and Mr. Fraser has made his report to Attorney-General Gordon Sloan. The investigation has been held in camera. Mr. Fraser pointing out at the outset that he regarded his task as "undercover work" until such time as he had completed the collection of evidence.

Mr. Fraser proposes to run down all recent stock sales in Hedley Amalgamated to ascertain the truth or otherwise of a vast variety of rumors set in circulation on the morning of Feb. 23, when the Hedley Amalgamated stock took a sudden dip from an opening quotation of 69 to a low of 32 during the forenoon session. The stock's high, attained only a few weeks ago, was $1.10, reached after a fairly steady climb since the beginning of the year. Because of the stock's erratic course the listings committee of the Vancouver Exchange hurried into conference and ordered suspension of trading. The same day the exchange dispatched a wire to Attorney-General Sloan urging an investigation, which was promptly granted.

**Bear Raid**

Evidence of an organized "bear raid" on the stock was pretty well discounted after the exchange made an independent analysis of the day's trading and discovered that most of the sales had been made in comparatively small lots by individual clients. There was also a report that the company's property rights were in question, and that its vein ran into ground which it did not hold. The company denied this and Treasurer Frank Parsons pointed out that all titles were correct, without question.

If these points are borne out in the enquiry, the main issue to be determined is the reported "salting" of the drill cores. A definite conviction by a Vancouver assayer that there was something wrong led to the swift train of events that followed.

The J. R. Williams assaying firm had made a great many assays of Hedley Amalgamated ore on behalf of the company. About a month ago, it is reported, the Williams company made an assay of part of a drill core, The Provincial Government had an assay of what was supposed to be the other half of the same core.

**Figures Contradictory**

The mines department's assay figures were given out and they were so much higher than the company's that they at once attracted attention. The Williams Company rechecked its samples and reported the discrepancy to the Hedley Amalgamated organization, two of whose directors went at once to Victoria to lay the matter before Dr. Walker, deputy mines minister.

It is understood that the company's assays of two drill cores revealed only traces, while the mines department's assay showed high grade. The Government's assay report was not given to the public and was withheld by the company pending official release by Dr. Walker, but it is understood that some of the samples were valued at from 2.4 ounces to 2.8 ounces.

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**McGarry Gold Mining Syndicate,** inactive since 1934, has now resumed its activities, Robert Stone, syndicate trustee, informs The Financial Post. The company plans to raise sufficient capital to test thoroughly the property by diamond drilling to determine its economic possibilities. The property is about midway between Matachewan and Belle River area.

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# *Mines Provide Bulk of Trading*

Mines made up 46,000,000 shares of the total 48,000,000 shares traded on the Toronto Stock Exchange during February. Value of mining transactions was $57,674,160, compared with trading of 57,000,000 shares in January having a transaction value of $96,105,111. Industrials had a value of $36,136,093 in February"s total trading.

February's trend, according to the Exchange's indices, showed that the industrial index moved to a new high since 1929 at 181.59 before the Federal budget was brought down, and closed the month just under its high for a net gain of 12.55.

The index of 20 golds lost 6.31 points during February, while higher metal prices helped the miscellaneous mines index to reach a new high at 211.38, and to end the month almost 15 points higher than the opening.

# Precaution Taken By Falconbridge

## Company Was Prepared for Lower Nickel Price, President Reports

Any future expansion of Falconbridge Nickel Mines will always see 10 years' ore available, J. Gordon Hardy, president, promised at the company's annual meeting. Falconbridge's objective for 1937 is to sell 14 million pounds of nickel, the president added, and about half of this amount has already been contracted for.

Need of marketing this amount arises from the decline in the European nickel price by about 10% from Jan. 1. The company sold 11 million pounds of nickel in 1936. Most of production is sold in Europe, but the reduced price has been foreseen for some time because of complications in foreign exchange and bootlegging in nickel resulting from a discrepancy between American and European prices.

**Price Adjustment**

The present adjustment of nickel prices is considered fair. Falconbridge hopes to limit shutdowns of the one blast furnace for cleaning and relining to three a year. This furnace has previously required periodical shutdowns. During 1937, the daily average of 1,250 tons handled by the smelter will be maintained.

During 1936 expenditures on plant and equipment increased by $2,140,624, Mr. Hardy said, to a total of $6,257,837, but the company has planned its expenditures to meet 10 years' ore supplies at all times. The inclusion of lower grade ore is justified, he felt, as long as it effects better utilization of the mine and profit per pound of nickel produced does not fall materially. A change in mining methods as a matter of policy has meant higher mining costs and less dilution of ore, together with less recovery of nickel per ton of ore treated because of taking in more lower-grade ore.

**Waste is Lower**

In a five-year period, the percentage of waste reject from ore mined has fallen from 22% to less than 7%. Now it is less than 3%. Over the same period the recovery of pounds of nickel per ton of ore treated was respectively 47, 40, 38, 37 and last year 34.6 pounds. The company would be discarding over a million tons of ore were it to apply the waste-reject figure in 1932 to present ore reserves.

All this ore will now go through the concentrator and produce profit besides facilitating the mining attack. So far the company has met the problem of treating fairly low-grade ore as measured by standards hitherto set in the nickel industry. Through the last five years, Mr. Hardy remarked, the company has managed to convert 27, 35, 35. 34, and last year 27% of net sales into final profit, after all charges. This record should, he felt, reassure shareholders who have had fears on this score.

# Ottawa Issues Map Of Yukon Mine Area

The Geological Survey, Department of Mines and Resources at Ottawa, has just issued a colored geological map of the Laberge area, Yukon, showing geological boundaries, topography, roads, trails and other features. Prospectors, says the Department, have given little attention to the Laberge area although it is traversed by the main water and land routes in Yukon Territory, though from Government investigations several sections of the 4,600-square-mile area merit notice.

Copies of the map may be had from the Chief, Bureau of Geology and Topography, Department of Mines and Resources, Ottawa.

# Kerr-Addison Offers Options

## Shareholders Will Get One Share New Stock for Three Held

Kerr-Addison Gold Mines will have a cash position of $1.5 million when rights offered by the company to shareholders are exercised. Shareholders will be given rights to buy an issue of treasury stock at 80 cents per share, the basis being one share for every three shares registered on or before noon, March 20, 1937.

An additional 1,180,000 shares will be absorbed by exercise of the rights. Total shares outstanding will then be 4,721,000 of a 5,000,000-share capitalization. There are at present 3,504,006 shares outstanding.

Kerr-Addison now has a cash position of approximately $600,000. Easy terms have been arranged for payment of rights, the first 25% of the amount being due and payable on April 15. Shareholders will be advised of dates upon which the three equal installments comprising the balance will become payable.

To provide a 500-ton mill with capacity to crush, grind and hoist 1,000 tons daily and to bring the mine to profitable production will cost approximately $1,250,000, M. F. Fairlie, M.E., estimates. Continuous underground work and drilling have indicated what is thought to be one of the largest ore bodies of its kind on this 650-acre Larder Lake property. The present company was organized in the spring of 1935 by G. Boyd Webster of Toronto.

Companies interested in Kerr-Addison include Mining Corporation of Canada, Ventures, Noranda, International Mining Corporation, F. M. Connell Exploration and Anglo-Huronian.

J. H. C. Waite, president of Mining Corporation, is authority for the statement that development on Kerr-Addison has gone far enough to assure ample tonnage for a considerable time.

# New Properties Explored Adjoining Kenricia Site

From Our Own Correspondent

KENORA, Ont.—An increasingly active sector of the Kenora mining district is that surrounding the Kenricia Gold Mines property, which is 11 miles immediately west of Kenora. During the past week, two new crews have been put to work and another crew increased on claims immediately adjoining Kenricia. Outside the staking immediately adjoining Kenricia there is also considerable other activity.

Work has been started at Kenosha Gold Syndicate, which holds claims adjoining Kenricia, west and east, in two groups.

Kenjoe Gold Mines is a newly organized company which has a small crew employed on sampling surface showings opened up last fall when the property was held by Clearwater Bay Mining Syndicate. There are eight veins which will be diamond drilled if the present sampling is satisfactory.

Westricia Gold Mines has increased its surface crew from seven to 12 men to rush the programme of exploration. It is hoped to get some diamond drilling done through the ice before spring break-up.

At Kenricia Gold Mines, lateral work is proceeding on the two levels at 200 and 350 ft. The vein is being crosscut at time of writing so that drifting will shortly be in full swing with mill plans likely to be considered within a few months, provided the drifting finds what diamond drilling indicates as being underground.

## OPTIONS

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon treasury shares of the following companies:

**Clericy Consolidated**—Feb. 4 installment under agreement June 4, 1936 covering 35,294 shares at 8½ cents per share has been paid full. Balance of agreement comprises 5,941 shares at 8½ cents and 100,000 shares at 12½ cents.

**Hard Rock Gold Mines**—Total of 489,914 shares have been subscribed for in connection with offering made to shareholders of record Dec. 15, 1936. Of these, 489,202 shares were fully paid as of Feb. 6, 1937.

**Hargal Oils** — Announcement has been made that London and Western Trust Co. Ltd. have been appointed transfer agents for the company at Toronto and Vancouver.

**Con. Chibougamau Goldfields Ltd.**—An additional 25,000 shares have been taken up at $1 per share under option agreement dated May 18, 1934, bringing total issued capital to 2,710,000 shares. Balance of option comprises 290,000 shares at $1 by Jan. 1, 1938.

**Gold Belt Mining Co. Ltd.**—An additional 25,000 shares have been taken up at 20 cents per share under agreement dated April 1, 1935, bringing total issued capital to 1,862,500 shares. Balance of option comprises 137,500 shares at 20 cents.

**Tashota Goldfields Ltd.**—A total of 746,104 shares were subscribed for by shareholders at 15 cents per share in connection with the offering to shareholders of record Dec. 15, and 253,896 shares were taken up by underwriters. In addition, 30,800 shares have been allotted at 15 cents per share.

**Bunker Hill Extension**—A block of 24,000 shares has been sold at 14 cents per share.

**Astoria Rouyn Mines**—Payment has been received from the final block of stock under agreement dated Nov. 30, comprising 150,000 shares at 13 cents per share. Total issued capital is now 4,556,106 shares.

**Naybob Gold Mines**—An additional 21,500 shares have been taken up at 35 cents per share under agreement Nov. 5. Balance of underwriting comprises 129,990 shares at 35 cents; 300,000 at 40 cents and 200,000 at 55 cents with next commitment due May 10.

# *Gold Alluvials Ltd. Reaps Harvest from Placer Work*

From Our Own Correspondent

VANCOUVER.—One of the most interesting mining experiments in western Canada is beginning to show results. Consolidated Gold Alluvials, Ltd., backed by British capital, which has spent some $800,000 in a two-year project to drain the old channel of Lightning Creek in the Cariboo, famous for its rich placer deposits in the early days, has finished the initial part of its programme and is now beginning to reap its harvest.

In the summer of 1934 D. Campbell Mackenzie started to operate in the Cariboo "slum" which for years had defied miners using the orthodox methods. Mackenzie adopted the methods used in the deep lead mining operations in western Australia.

A few days ago miners reached a point 15 ft. into the gutter of the pre-glacial channel under the creek and found coarse, spotty gold in quantities far exceeding Mackenzie's expectations. The first two pans taken from the gravel 18 inches above bedrock showed pay described as "exceedingly rich."

The system adopted by Mackenzie, briefly, consists of sinking a shaft in the rim rock at the side of the canal and running rock drives up and down stream at a depth of some 65 ft. below the bed of the deep channel in the country rock.

At intervals of about 100 ft. diamond drilling drainage holes are bored vertically from these drives to tap the channel above. The water is thus drained from the slum beds through the gravel which acts as a filter, and pumped to the surface.

# Mining Enquiries

### Lee Gold Mines

Would you please send me full information regarding Lee Gold Mines Ltd. Incorporated May 15, 1931? I have several thousand shares of this stock and would like to know what this mine is doing.

Lee Gold Mines sold its holdings in Lake Athabasca and Swayze district to Greenlee Mines for 600,000 shares eventually to be distributed on the basis of one Greenlee for five Lee Gold subject to pooling arrangements. Surface work is being carried out at Lake Athabasca. As yet, however, work has not gone far enough to warrant an estimate of the merits of this property. This area, however, does not appear to have responded well to development work by other properties, a fact which naturally bears on the outlook for Greenlee Mines. In October, 1936, the company stated that it had $50,000 cash and no current liabilities.

### Flin Flon Gold

As a subscriber to The Financial Post I should be glad if you could give me some information on the capital set-up of Flin Flon Gold Mines.

Flin Flon Gold Mines owns a gold-silver-arsenic prospect of 30 claims at Douglas Lake, Saskatchewan, three miles from the railway and electric power at Flin Flon. On this property the company has sunk a shaft to 450 feet and is currently deepening the shaft to 610 feet. Approximately 3,000 feet of drifting have been completed on three levels and 10,000 feet of diamond drilling. In December the south ore shoot encountered at the 450-ft. level. In October, 1936, the company reported 22,500 tons of positive ore, 20,000 tons of indicated ore, running .33 ounce of gold and $8 to $10 arsenic per ton. The company has not issued a recent financial statement but has an authorized capitalization of three million shares no par value, of which 1,857,517 were outstanding as at October, 1936. The head office of this company is 310 Avenue Block, Winnipeg. The management is in good hands.

### B. C. Nickel Mines

Please clarify for me the situation at B. C. Nickel Mines. What is the outlook?

B. C. Nickel Mines Ltd. has had a very checkered career in recent years. The company has not yet been able apparently to place sufficient ore of sufficiently high grade in sight to justify mill construction. The property is still in the development stage. The company is shipping ore to Japan where tests on treatment are being made and meanwhile efforts are being concentrated to attain the objective of two million tons of ore as a requisite for mill construction. The grade of ore is somewhat lower, however, than that obtained in the Sudbury district, location of the International Nickel Company's plant and mine, but the gravity system of mining might reduce costs below the usual figure in the case of B. C. Nickel and consequently offset disadvantages of the lower nickel content.

### Laguna Gold Mines

I would appreciate your opinion on the outlook for Laguna Gold Mines.

Laguna is a well managed mining operation formed as a consolidation of property of the Manitoba Metals Mining Company and Herb Lake Consolidated Mines and is controlled by Mining Corp. of Canada.

A small mill started operations last August. In the three months ended Dec. 31, 1936, it produced gold to the value of $104,900. The mill is operating satisfactorily and latest reports from the property indicate that ore development is continuing to add to reserves. Shaft sinking has been completed to the 1,000-ft. level and indications are that the company is having no difficulty in providing ample mill feed to keep the present mill in profitable operation. While the operation is still on a small scale there seems to be possibilities of enlargement of the scope of operations.

### International Nickel

I am considering investment of approximately $600 in either International Nickel or Hudson Bay Mining and Smelting. Could I get information from you regarding the relative merits of each?

Both International Nickel Co. and Hudson Bay Mining & Smelting Co. are, of course, in a very strategic position to take advantage of the recovery trend. Whether or not the market price of International Nickel has now reached such heights that the future is being discounted to a speculative degree, is a matter to show up the difference of opinion. Certainly, at present prices, the yield of International Nickel's stock does not appear to be particularly attractive. Earnings have, as you know, increased sharply over the past year. While evidence would indicate that the earnings of this company could, barring any undue event, be maintained at present levels over the next few years, it seems difficult to believe that earnings will increase. The company of course, is in a sound position physically, with tremendous nickel-copper reserves.

Hudson Bay Mining & Smelting Co. has not had a real opportunity to show what it can do from an earnings point of view, owing to depressed zinc and copper prices. The prices of both zinc and copper, as you have no doubt noticed have been increasing rapidly in the past month or so, greatly enlarging the earnings' scope of Hudson Bay Mining & Smelting Co. It is generally believed that zinc has not yet felt the full effect of recovery and increased demand generally. The company has, within the past year or so, introduced new by-products, such as selenium and tellurium which has noticeably increased revenue.

### Old Diamond Mines

Will you give us any recent information you may have on Old Diamond Mines?

Old Diamond Gold Mines is developing a gold prospect in south-eastern Ontario. After a limited amount of diamond drilling and surface work, underground work was started, and at last reports a crosscut was being driven on the 100-ft. level.

Briefly this property is located in an area which has yet to demonstrate its significance as a gold producing field.

### Gunnar Gold

Would you please advise me on the position of Gunnar Gold? I would also like information on MacLeod-Cockshutt and your opinion with regard to Premier Gold as an investment.

Gunnar Gold Mines started production on May 1, 1936, on a property in the Big Rice Lake area of Central Manitoba. MacLeod-Cockshutt Gold Mines has, by an underground development work, gone far toward substantiating the striking values obtained by drilling last year. With substantial ore blocked out, the company is planning a 500-ton mill to be in operation late this summer. Development at this property, in its early years disappointing, has now fairly well demonstrated that it has interesting producing possibilities. Until production actually gets under way, however, it will, of course, remain a speculative stock. The management is in good hands.

### God's Lake Gold

I have read with interest your articles on God's Lake Gold Mines. What are the chances of a dividend here? What do you think of the management?

It seems a bit premature to discuss dividends from God's Lake Gold Mines. As you probably know, the ore position of this property early last summer was not such as to inspire any particular confidence in the earnings possibilities of this company. However, The Financial Post pointed out at that time that the market appeared to exaggerate the significance of development. Operations since that time have gone far to justify this point of view. Briefly the picture underground has improved considerably at this property in the last three months. Drifting on the third level west has extended the ore section considerably and has increased the average grade of ore. Encouragement has also been had on the west drift at the fourth level.

For the 12 months ended Dec. 31, 1936, total income, less marketing expenses, was $630,408, while the total operating expenses, including administration expenses, was $395,696, leaving a net profit before depreciation of $234,711. After deducting depreciation, development written off and taxes and adding non-operating revenue, the profit for the year amounted to $123,691.

Current position is improved from that of a year ago, with current assets of $96,592 and current liabilities of $58,780 leaving net working capital of $37,812 as compared with $17,585 at the end of 1935. The number of shares outstanding remained the same for the year. The balance in the profit and loss account at the end of the year was $103,202 as compared with a deficit of $20,488 at the end of 1935.

We have always had a high regard for the management of this company which has shown itself to be efficient and sincere.

God's Lake Gold Mines has an authorized capitalization of 3.5 million shares no par value all of which have been issued.

### Premier Gold

Would you please comment on the outlook for Premier Gold as to management and prospects.

Premier Gold Mining Co. is now principally a holding and exploration company interested in developments in British Columbia, Ontario and in the Murchison district of Western Australia. The company is controlled by the powerful American Smelting & Refining Co. Among the most important of Premier's holdings at the present time are Silbak Premier, Toburn, Relief Arlington, Prosperity, Porter Idaho and Silverado in Canada and the Big Bell and Little Bell properties in Australia. These latter properties have, according to reliable sources, responded well to development work and are considered as potentially important producers on the large tonnage, low-grade. In 1935 fiscal year, the company earned the equivalent of 35 cents a share and paid out 14 cents per share in dividends. Probabilities of increased earnings in the 1936 fiscal period are very good. The management of this company is first rate and while holdings are, to a large degree, in more or less speculative ventures, the company's cash position is sound, working capital as at Dec. 31, 1935 amounting to $2,420,269, highest in the company's history. The annual report is expected shortly.

### Pend Oreille

"The writer has held a few hundred shares of Pend Oreille stock for a number of years, for which he paid $12. I see it has advanced recently to $4 a share and I would appreciate your opinion as to whether this is a good time to sell, or do you think it advisable to hold for a higher price?"

The outlook for Pend Oreille Mines & Metals Company, Inc., has, along with all other base metal companies, improved considerably in the past few months. While, in our opinion, this improvement has been amply reflected in the market, the fact remains that all indications point to higher lead and zinc prices in 1937.

Last January the operation of a new concentrating plant of 300-ton capacity was begun. Little if any profit was possible on this basis and the plant is to be increased to 700-ton capacity by April next. Larger tonnage and better lead and zinc prices are expected to establish a satisfactory profit ratio. This stock, at present prices, in our opinion, has speculative possibilities.

---

**South Malartic Gold Mines,** adjoining Canadian Malartic and East Malartic, by diamond drilling has established a south contact on a large porphyry body, The Financial Post is informed. The drill core showed surface mineralization with good widths from 10 to 20 ft.

Scott Chibougamau Mines, Limited

*Bought - Sold - Quoted*

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• • •

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GURNEY GOLD MINES Ltd.
(No Personal Liability)
Head Office: 919 GRAIN EXCHANGE WINNIPEG

PROPERTY
Owning and developing valuable property in Manitoba three miles from Gurney Siding, 325 miles north of Winnipeg, where a large ore body of good commercial grade has been blocked out.

DIRECTORS AND OFFICERS
C. GORDON SMITH, President
HAROLD SMITH, Vice-President
G. F. COPELAND, Secretary-Treasurer
DR. W. K. COLBECK
C. K. GUILD, K.C.
C. B. DAWSON, Consulting Engineer
H. VANCE ECHOLS, Mine Manager

Ninth Annual Report

# MACASSA MINES, LIMITED

*(No Personal Liability)*

*Incorporated under the Laws of the Province of Ontario*

## December 31st, 1936

HEAD OFFICE:
85 Richmond St. West, Toronto, Ontario

DIRECTORS:

Robert A. Bryce, *President*, Toronto, Ontario
Thomas Riggs, *Vice-President*, Washington, D.C.
Henry M. Porteous, Montreal, Quebec
J. D. Perrin, Winnipeg,, Manitoba
A. G. Slaght, K.C., M.P., Toronto, Ontario

Toronto, Ontario,
February 22nd, 1937.

In presenting the Ninth Annual Report and financial statement of your Company for the nine-months period ended December 31st, 1936, your Directors report as follows:

During the period covered by the report the mill treated a total of 53,549 tons, from which was recovered bullion having a gross value of $930,153.59. After deducting all costs of operation, including exploration and development, an operating profit of $560,812.56 was obtained.

By referring to the accompanying balance sheet, it will be seen that the current assets amount to $709,350.20 as against current liabilities of $109,856.61, showing an excess of current assets of $599,493.59.

The development work carried out during the nine-months period has resulted in a considerable increase in the Company's ore reserves, full particulars of which will be found in the Mine Manager's report.

The major mine development during the past period was the sinking of a winze, or interior shaft, from the 3,000-foot level to a depth of 3,415 feet and the establishing of three new levels. The ore zone where encountered on each one of the three new levels showed geological conditions favorable to the development of greater widths of ore. This, together with the results obtained on the 3,000-foot level during the past year, warrants the expectation of developing a larger mine in the future than the upper portion of the mine so far developed has suggested.

During the past year we have increased our milling facilities from 175 tons to slightly over 200 tons per day, and in March we hope to increase this to between 250 and 300 tons per day. Any further increase in mill tonnage above 300 tons per day must await further development of the new levels below the 3,000-foot level, and which cannot at this date be anticipated.

During the nine months covered by this report, two dividends of Five Cents each have been disbursed, entailing an expenditure of $267,806.80. A further dividend at the same rate will be paid on March 1st. It will continue to be the policy of your Directors to authorize the payment of further dividends from time to time as in their opinion the Company's earnings may warrant.

Previously, we have terminated our fiscal year as at March 31st. We are now adopting a fiscal period to conform with the calendar year, hence this report covers a period of nine months, from April 1st to December 31st, 1936. By making this change, we hope to overcome some of the retroactive features of Federal income tax legislation, by making our fiscal period correspond with the calendar year. This change will also facilitate accounting and the compilation of Federal and Provincial operating returns and statistics.

The Directors take this opportunity of expressing their cordial appreciation of the excellent work done by the Company's operating staff and employees during the past year.

On behalf of the Board,
ROBERT A. BRYCE,
President.

### PROFIT AND LOSS ACCOUNT
### For Nine Months Ending 31st December, 1936

| | | |
|---|---|---|
| **INCOME** | | |
| Bullion Production | $930,153.59 | |
| Sundry Revenue | 1,787.46 | |
| Dividends and Interest | 18,385.67 | |
| | | $950,326.72 |
| **EXPENSES** | | |
| **Operating:** | | |
| Development, Mining, Milling, Administrative and General Expenses | | 389,514.16 |
| **Operating Profit for Period,** before providing for Depreciation, Reserve for Taxes, and Exhaustion of Mine | | $560,812.56 |
| **Provision for Depreciation:** | | |
| Buildings, Plant, Machinery and Equipment | $ 72,121.67 | |
| **Reserve for Taxes:** | | |
| Dominion Income, Ontario Corporation, and Mining and Municipal Taxes | 56,574.06 | |
| Preliminary Exploration and Development Written Off ($1.00 per Ton Milled) | 53,549.00 | |
| | | 184,244.73 |
| **Profit for Period** | | $376,567.83 |

### PROFIT AND LOSS SUMMARY

| | | |
|---|---|---|
| Balance, 1st April, 1936 | $280,070.27 | |
| Profit for Period | 376,567.83 | |
| | | $656,638.10 |
| **Less:** | | |
| Dividends Declared and Paid | $267,806.80 | |
| Additional Taxes Paid, due to amendments to the Dominion of Canada Income Tax Act, enacted in June, 1936, which were retroactive to the Operating Periods ending 31st March, 1935 and 1936 | 9,025.21 | |
| Outside Exploration Written Off | 6,221.49 | |
| | | 283,053.50 |
| Balance, 31st December, 1936, as set out in Balance Sheet, attached | | $373,584.60 |

### BALANCE SHEET
### As at 31st December, 1936

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash on Hand and in Banks | $ 304,723.52 | |
| Bullion on Hand and in Transit | 103,108.16 | |
| Stores and Materials at Book Value | 30,878.31 | |
| *Investments at Cost (Approximate Market Value $270,640.21) | 272,747.71 | |
| | | $ 711,457.70 |
| Mining Properties, Buildings, Plant and Equipment | $2,241,412.12 | |
| **Less:** Provision for Depreciation | 234,014.50 | |
| | $2,007,397.62 | |
| Exploration and Development Charges, and Pre-operating Expenses, after deducting amount written off | 454,694.61 | |
| | | 2,462,092.23 |
| Sundry Assets and Prepaid Expenses | | 7,959.28 |
| | | $3,181,509.21 |

| | |
|---|---|
| ***Investments:** | |
| Lake Shore Mines, Limited | 2,000 Shares |
| Wright-Hargreaves Mines, Limited | 20,000 Shares |
| Township of Teck Hospital Debentures | $1,640.21 |

| | | |
|---|---|---|
| **LIABILITIES** | | |
| Accounts and Payrolls Payable and Accrued Charges | | $ 38,356.61 |
| Provision for Taxes | | 71,500.00 |
| Reserve for Contingencies | | 20,000.00 |
| **Capital and Surplus:** | | |
| Capital: | | |
| Authorized 3,000,000 shares of $1.00 Par Value | $3,000,000.00 | |
| Allotted | $2,678,068.00 | |
| Surplus | 373,584.60 | |
| | | 3,051,652.60 |
| | | $3,181,509.21 |

We have audited the accounts of Macassa Mines, Limited, (No Personal Liability), for the period ending 31st December, 1936, and we certify that all our requirements as Auditors have been complied with. In our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books.

J. P. LANGLEY & CO.,
Chartered Accountants,
Auditors.

Toronto, Canada.
15th February, 1937.

**ORE RESERVES—(Only positive ore included in this statement)**

| | Tons | Oz. per Ton | Value per Ton at $35.00 |
|---|---|---|---|
| Unbroken Ore | 161,800 | 0.44 | $15.40 |
| Broken Ore | 24,450 | 0.47 | 16.45 |
| Surface Ore Dump | 2,420 | 0.43 | 15.05 |
| | 188,670 | 0.44 | $15.40 |

### DISTRIBUTION OF SHARE CAPITAL
### As at February 13th, 1937

| | Shareholders | Shares Held | Per Cent |
|---|---|---|---|
| Dominion of Canada | 4,172 | 2,259,752 | 84.38 |
| United States | 790 | 356,354 | 13.31 |
| Great Britain and elsewhere | 88 | 61,962 | 2.31 |
| Total | 5,050 | 2,678,068 | 100.00 |

**A copy of the complete Annual Report containing the report of the Mine Manager may be obtained upon application to the Company's Head Office.**

# Canada Goes Bingo Crazy

## More Than 350,000 Devotees Spend Spare Time Covering Cards With Counters — $5 Millions Spent in Fees and Stakes

By GUY S. CUNLIFFE

The current craze for a modern adaptation of an old-time parlor game is harassing the authorities in nearly all parts of Canada and giving headaches to purveyors of more regular forms of entertainment.

In this streamlined age, thousands of younger persons have never heard of "Lotto," the Victorian time killer that whiled away many a long evening in lamp-lit farmhouses and overstuffed urban drawing rooms. But if they read the newspapers or have any social life at all, they have heard of "Bingo," the numbers-lottery game for which a mania has swept Canadian communities.

### By Any Other Name

Most popularly known and widely played as "Bingo," basically the same game is played as "Tango," "Keno" and "Housie-Housie." Under the last designation, the pastime was avidly pursued during the Great War by British and Canadian soldiers and sailors, with the benevolent indulgence of commanding officers. But essentially all of the variably named games are jazz-age progeny of innocuous Lotto, speeded up and given a wealth of extra zip by the enticement of chance rewards.

So rapidly has the craze spread within the past few months and so extensive has it become, that it is difficult to make an exact estimate of how many people have succumbed to the fascinations of Bingo, or just how much they are spending to indulge their fancy. But according to an estimate from informed sources, it would appear that at least 350,000 Canadians are devotees of reincarnated Lotto, and are supporting the popularity of the game to the tune of at least $5 millions annually in playing fees, apart from the outlay on necessary equipment.

### A "Fall Fair" Favorite

This formidable total does not take into account the substantial sums paid to take a whirl at the games at fairs and exhibitions. At most expositions, Bingo and Tango games have been operated in increasing numbers during the past two or three years, unmolested under a "laissez-faire" policy of both provincial and local authorities. Even today in Ontario, with violent controversy raging as to the propriety and legality of such games, the Provincial Government has declared through the attorney-general that the games are illegal while the provincial secretary's department complacently continues to collect amusement tax on the admission fees to Bingo tournaments.

### Mechanics of Game

The requisite set-up for a game requires only the necessary number of cards—one for each player—bearing the word BINGO across the top and five lines of assorted numbers under each letter in the word; counters (ordinary paper discs or even dried corn are used) to cover numbers as they are called; and the "caller" and his assistants and checkers to conduct the game.

Because of the simplicity of the game, its popularity and the small expense involved in operating it, the craze for the pastime has been fostered and given tremendous momentum in recent months by churches, club, fraternal and social organizations, and numerous individual promoters alert to exploit popular whims to their own profit. Regular games have been operated weekly or even oftener for months past by such organizations and individuals, but only now are authorities becoming aware, by complaining prods or otherwise, of the alleged menace of the craze.

In various Ontario centres, in Manitoba and elsewhere, local authorities have taken or have threatened suppressive action. In one city a social club Bingo game was raided and further action promised to stop the operation, at least as an organized pastime available to the public. But in many centres, sponsors of the game have been supported by civic authorities in protesting against the drive by police and Crown officials, and defend the game as a harmless and pleasant form of diversion that is by no means gambling in the accepted sense of the word, regardless of how it may technically violate the strict interpretation of the Criminal Code.

### Criminal Code

The sections of the Criminal Code which Crown and police officials hold to be applicable to the playing of the game are as follows:

"Sec. 229—Keeping Disorderly Houses—Every one is guilty of an indictable offense and liable to one year's imprisonment who keeps any disorderly house, that is to say, any common bawdy house, common gaming house, or common betting house as hereinbefore defined." (It is contended that Bingo falls within the Code interpretation of gaming and that since the games are open to the public, premises on which the games are played are therefore "common gaming houses.")

Sec. 236—Lotteries—Every one is guilty of an indictable offence and liable to two years' imprisonment and to a fine not exceeding $2,000 who . . . (d) disposes of any goods, wares or merchandise by any game or mode of chance or mixed chance and skill in which the contestant or competitor pays money or other valuable consideration."

### Permits For Raffles

When official and ecclesiastic objection to Bingo was raised, it was suggested that the games could be given official sanctification under the Criminal Code provision empowering mayors to issue permits for raffles. It was discovered, however, that such permits can be issued only when the prizes are of small value, and given at a bazaar for benefit of a religious or charitable endeavor. The articles raffled must first have been offered for sale at the bazaar, may not be worth over $50, and may not be awarded through use of any mechanical device.

Concern over the spread of the addiction to Bingo is not confined to official quarter and the stricter church circles. The time and the money spent by Bingo fans on the pastime has naturally had an effect on the patronage of more orthodox forms of diversion, particularly motion picture theatre attendance in small towns, suburban areas and at the neighborhood houses in cities. The extent to which the craze has cut into movie revenues could not be determined, though it is apparently noticeable enough in some areas to stir at least the interest of cinema entrepreneurs, provoke wonder as to how long the fever will last, and cause them to ponder on possible ways of checking or offsetting the new form of competition.

### Commercial Operations

While the open and public manifestation of the craze has been given its present momentum largely by Catholic church welfare workers and various social organizations, the excellent profits obtainable by comparatively limited investment have attracted many individual operators who sponsor games, either frankly as commercialized forms of pastime or under the cloak of supposed "social clubs." So far, however, the games run by such enterprising promoters do not form more than 5% to 10% of the total of public and semi-public games.

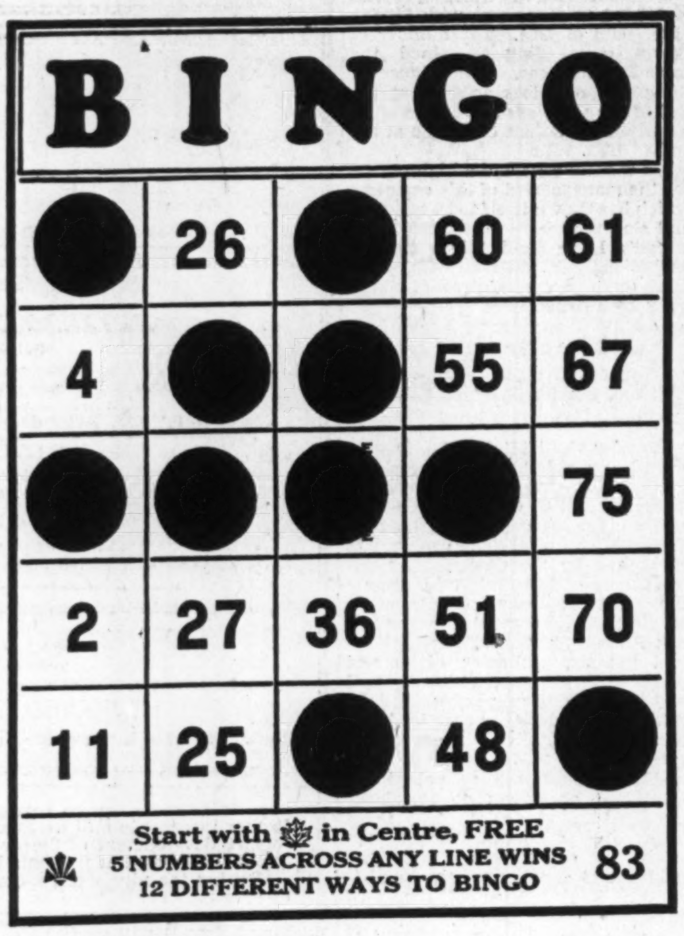
As an indication of the returns possible through operation of the games, detailed figures as to revenue and expenses of a weekly game were obtained in regard to a church in an eastern city, one of the 30 or more churches where Bingo is played weekly in the church basement or recreation hall. An attendance of 600 to 800 is registered at every game, yielding a revenue of $150 to $200 at an admission fee of 25 cents for 20 games during the evening. Extra revenue is obtained by conducting, for a 10-cent fee, three extra games for bigger prizes (such as a ton of coal) at the end of the evening.

Expenses charged against this revenue are chiefly the cost of the prizes, averaging about $80, or $4 a game, and the pay of the "caller" and his assistants, totalling anywhere from $10 to $20 a night. Even with the fairly generous allotment for prizes and the comparatively high pay for the callers, the church is thus left with net proceeds each week amounting to between $60 and $100. In the benefitting churches and soldier and fraternal organizations, elation is unconcealed over finding a regular source of such comparatively lavish contributions to welfare and general funds.

### Aids Welfare Work

The church, taken as an example, has been able to do a great deal of extra welfare work as a result of tapping the Bingo gold mine. Out of Bingo revenues, more than 200 fuel orders have been given to destitute parishioners, rubbers have been bought for children of poor families, a hockey cushion has been built to keep the young element out of mischief, and the church band has been increased from 80 to 125 boys and completely outfitted with uniforms and instruments. And hundreds of Bingo patrons were delighted to win the lamps and other articles distributed as prizes.

The initial investment necessary for either organizations or individuals to join in the Bingo swim is quite modest. In most places, for instance, Bingo sets can be bought in department stores, stationery shops, and other establishments at prices ranging from 35 cents to $1.50, depending on the number of cards and the elaborateness of the set. The equipment to serve groups of several hundred persons would, of course, involve a greater outlay. More impressive initial costs are involved where an individual operator has to rent a space and set up equipment in a hall or on a midway, but this is more than offset by the greater returns from regular attendance and larger crowds.



| B | I | N | G | O |
|---|---|---|---|---|
| ● | 26 | ● | 60 | 61 |
| 4 | ● | ● | 55 | 67 |
| ● | ● | ● | ● | 75 |
| 2 | 27 | 36 | 51 | 70 |
| 11 | 25 | ● | 48 | ● |

Start with ✤ in Centre, FREE
5 NUMBERS ACROSS ANY LINE WINS
12 DIFFERENT WAYS TO BINGO
83

"BINGO" CARD

This is a sample of the card such as is used in playing the numbers-lottery game now the rage in communities all over the country. The theoretical player of the card shown has been lucky, and has found on the card a great many of the numbers called by the game "announcer," thus being entitled to cover these numbers with discs. If he can cover five numbers in a straight line, up or down, or diagonally, he will be able to yell "Bingo!" and claim the prize. It will be noted that he will win if, on the next play, No. 36, 51 or 75 is called.

# Montreal Life To Repeat Bonus

## Salesmen Again Offered Chance at Mining Options

Representatives of Montreal Life Insurance Co. may be given another opportunity of taking a "flier" in the mining market.

Late last year, an offer was made by A. P. Earle, president of the company, whereby underwriters who produced a minimum of $10,000 of paid business in the last two months of 1936 were given options to buy shares in Slave Lake Gold Mines, Ltd. Under the plan, qualifying agents were granted options to purchase the stock at $1.25 a share, one share for each $1,000 of business produced, with a maximum of 50 shares to any one agent.

The current issue of the company's agency bulletin states:

"The president has suggested a similar campaign for options on another stock, which shall be nameless for the present. If it is arranged, it will be for a 3-month period, starting Mar. 1 or Apr. 1. Mr. Earle will consent to this only if there is a unanimous willingness to co-operate to the end that the results to be achieved will justify the offer. If there were any reasonable assurance that we could produce $3 millions of real good business within three months, the campaign could be arranged.

"Those who obtained options of Slave Lake shares may reap a handsome profit. The options were granted to purchase shares at $1.25 each. The present market is from $3.50 to $3.80 and very little stock is coming out at these prices. We hesitate to make market forecasts, but this is a stock that may easily go to $8 or $10 a share before the year is out.

"The stock we have in mind for the next campaign is of a new company formed to develop a very large property that presents remarkable possibilities. The present intention is to set aside 10,000 shares of stock at a price of around 80 cents a share."

# Montreal Exponent Admits Many of Toronto's Boasts

Recently Toronto's new Globe and Mail newspaper published a series of articles comparing Toronto and Montreal. The greater size of Montreal was admitted but a whole array of statistics were marshalled to show where Toronto led its Quebec rival. The Montreal Daily Herald admits most of the Toronto charges but in a series of articles entitled "Wake Up, Montreal," it urges the Quebec metropolis to capitalize its special advantages.

Chief exultation of the Toronto Globe was over the claim that its city led in mining development. The Herald admits this and claims that Toronto is stealing not only Ontario's own north mining country away but also is seeking to control and direct the development of Quebec's mining hinterland.

"We continue to be a great port, a great manufacturing centre," states the Herald of Montreal, "but the fabulous northland looks to Toronto and pours its millions into Toronto's lap."

But Toronto's leadership in mining development is not its only point that brings a blush of shame to the Herald. Toronto, it is stated, has discovered and is exploiting the tourist riches of her back door in the form of scenery, lakes and woodland, whereas Montreal "has remained blind to the fact that she has equal, if not greater riches, at her back door."

Playing up the difference in language of Montreal's two populations is deplored. "About the only persistent advertising Montreal gets," states the Herald, "is by large spreads in the Toronto press to the effect that 72% of the Montreal trading district speaks a language Ontario does not understand." Toronto businessmen, it is claimed, are delighted "because they back up the familiar Toronto argument that theirs is a city in which a newcomer can do business without the aid of an interpreter."

# Seek National Minimum Wage

## Canadian Federation of Labor Outlines Wide Objectives

A Dominion statute to bring a minimum wage for men and women into effect in all parts of Canada, is asked by the Canadian Federation of Labor. At the recent annual convention of that body such a resolution was passed along, with several more of interest to both labor and employers. Among these the objectives sought were the following:

Annual holidays for workers with pay.

One full day holiday in every seven.

Prevention of American labor organizers from coming into Canada to sell special workers' insurance to Canadians.

Freeing of employers on government contracts from the present responsibility to any particular union, in hiring men.

Prevention of employment of members of another union by any union involved in picketing.

Definite legislation giving every worker complete freedom in his choice of union.

Appointment by the Dominion Government of fair wage officers to supervise the Prairie Provinces.

## New Mines Handbook Reflects Big Growth

During 1936 an average of 12 new mining companies and syndicates commenced operations every week in Canada; nearly 100 older organizations, many of which had been dormant for years, were revived and resumed exploration; 30 or more mines entered the ranks of producers and 11 companies made initial dividend payments.

Indicative of this tremendous increase in mining activity, the Canadian Mines Handbook for 1937, which has just been issued, is much larger than any previous edition, running to 383 pages and treating 4,714 companies, as compared with 3,744 last year and 2,724 in 1934.

The handbook shows 1,281 active operating mining companies in the Dominion at the end of 1936. This was after the strict elimination of companies which were not active in the year.

The handbook is published by Northern Miner Press Ltd., Toronto.

## Wheat Pool May Enter Insurance Business

From Our Own Correspondent

REGINA, Sask.—The Saskatchewan Wheat Pool will apply to the Provincial Legislature for an amendment to its act of incorporation to allow it to enter the insurance business.

The amendment as sought reads:

"To promote or engage in any co-operative or fraternal business or enterprise which, in the opinion of the company, can be carried on to advantage of members or to the advantage of Saskatchewan agriculture generally."

# McNairn Makes Specific Charges

Specific complaints, on which he based his demand for a clean-up in the fire and casualty insurance business, have now been forwarded to some of the companies by Ontario insurance superintendent H. D. McNairn.

It is now slightly more than a month since the meeting of representative insurers, at which Mr. McNairn stated that from information which he had received the business was in worse shape than at the time of two previous enquiries. At that meeting his position was couched in general terms, but he undertook to provide copies of definite charges to the representatives present. Since then the companies have adopted a waiting attitude, contending that no reply could be made to Mr. McNairn until he had specifically stated the charges on which his action was based.

## Halliwell Drill Shows Interesting Gold Values

An average of $29.30 for 12½ ft. has been obtained by Halliwell Gold Mines in a vertical drill hole on its property in Beauchastel Twp., Quebec property. Since the dip of the vein is not known, it is not possible to estimate the true width of this section.

## Obituaries

Hon. Patrick Burns, Canadian senator, chairman of the board of Burns & Co., director of the Bank of Montreal, Dominion Bridge and other companies. He was born in Oshawa, Ont., going west as a penniless boy to become the last of the "Cattle Kings" of the Canadian prairies.

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An Announcement:
THE
Investors' Chronicle
Established 1860
Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special
Canadian Mining Supplement
This Supplement will be read by Bankers, Stockholders and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.
Full particulars of advertising rates, etc., can be obtained upon application to — E. Stuart Johnstone, The Park Plaza, Avenue Road and Bloor Street, Toronto.

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ROMANCE STILL LIVES IN SUNNY SOUTH AFRICA

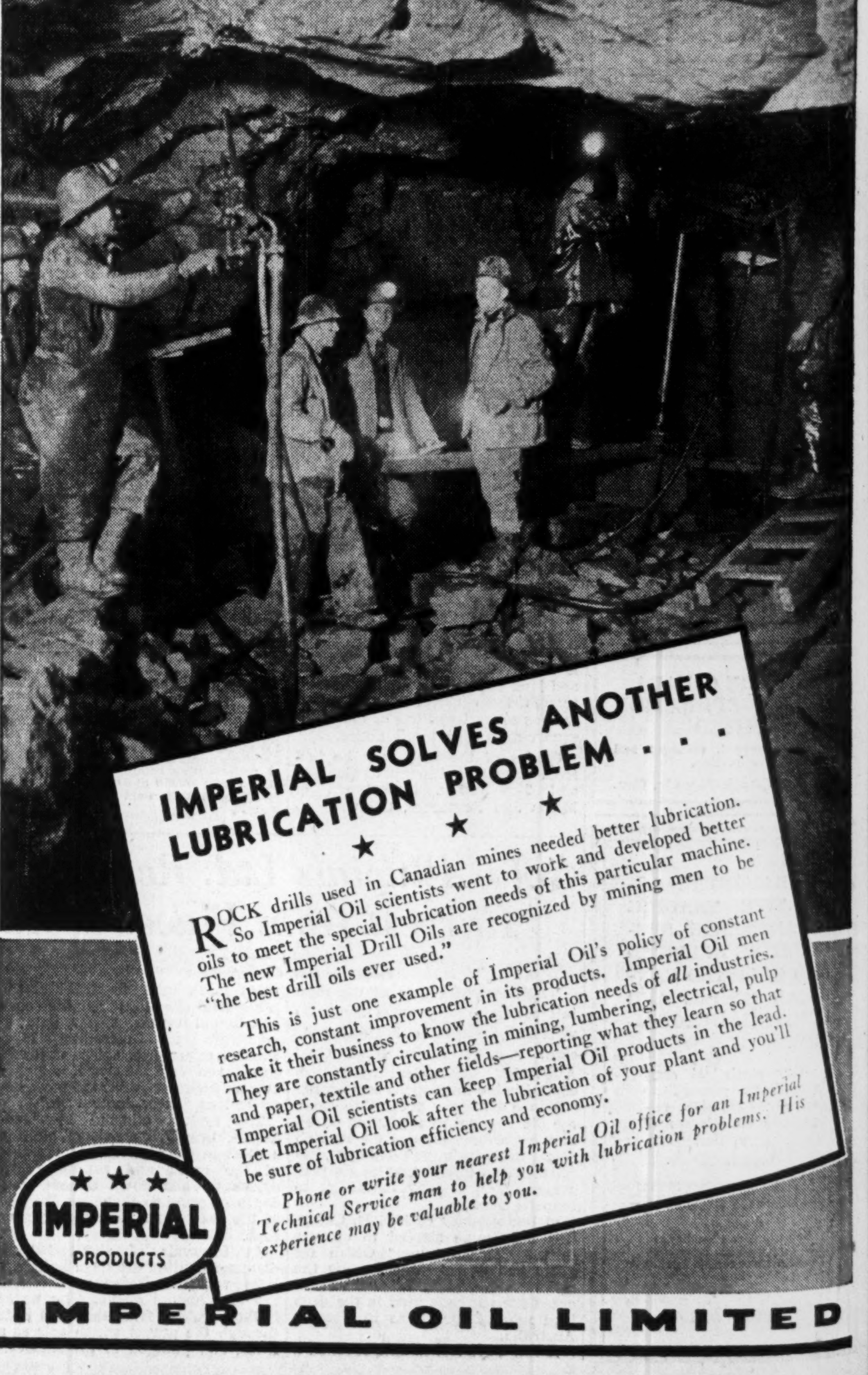
Above:—Howick Falls, Natal.
Below:—West Street, Durban.

"HE who drinks of the waters of Africa returns to quench his thirst"—so runs a proverb which symbolizes the spell of this lovely land. A spell woven of the appeal of the primeval, the wonder of unsolved mysteries, the rhythm of the lives of strange and colourful native races. Yet the visitor of today is charmed no less by this than by South Africa's gracious hospitality and by the civilized comforts of the daily round in this, the most prosperous country in the world.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

This winter turn your back on ice and snow . . . come to the land of sunshine and friendly, flowering valleys where white farm houses drowse in contentment midst orchards laden with delicious fruit . . . delve into the mystery-shrouded past of Zimbabwe . . . gaze on Nature's giant sculptures — the pinnacled crests of the Drakensberg, the Victoria Falls, the Valley of a Thousand Hills . . . follow in the footsteps of Rhodes . . . tour the Kruger National Park where wild beasts prowl peacefully beside the passing cars. Or, as you choose, ride the glorious surf, play golf, attend the theatre, enjoy the luxury of fine hotels. Here in the land of amazing contrast a truly different holiday awaits you.

Leading travel agencies will gladly supply you with full information.



IMPERIAL SOLVES ANOTHER LUBRICATION PROBLEM . . .
★ ★ ★

ROCK drills used in Canadian mines needed better lubrication. So Imperial Oil scientists went to work and developed better oils to meet the special lubrication needs of this particular machine. The new Imperial Drill Oils are recognized by mining men to be "the best drill oils ever used."

This is just one example of Imperial Oil's policy of constant research, constant improvement in its products. Imperial Oil men make it their business to know the lubrication needs of *all* industries. They are constantly circulating in mining, lumbering, electrical, pulp and paper, textile and other fields—reporting what they learn so that Imperial Oil scientists can keep Imperial Oil products in the lead. Let Imperial Oil look after the lubrication of your plant and you'll be sure of lubrication efficiency and economy.

*Phone or write your nearest Imperial Oil office for an Imperial Technical Service man to help you with lubrication problems. His experience may be valuable to you.*

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